FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

East Europe

FBIS-EEU-95-190
Monday
2 October 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
East Europe

FBIS-EEU-95-190 *2 October 1995*

CONTENTS

NOTICE: This volume contains a representative selection of material previously disseminated in softcopy format.

INTERNATIONAL AFFAIRS

Hague Prosecutor Opposes Talks With Criminals *[Prague REFLEX 8 Sep]* 1

INTER-EUROPEAN AFFAIRS

Poland's Michnik Views Return of Postcommunists *[Sofia TRUD 26 Sep]* 3

ALBANIA

Serreqi Meets Counterparts at UN Assembly *[Tirana Radio]* 5
Views Cooperation, Kosovo Issue *[Tirana TV]* 5
Berisha Receives Malaysian Defense Minister *[Tirana TV]* 6
Minister Meets With Counterpart *[Tirana Radio]* 6
Deputies Approve Military Penal Code *[Tirana TV]* 6

BULGARIA

FRY's Kontic Comments on Bosnia Situation, Ties *[TANJUG]* 8
Inspectors: 'No Technical Problems' With Reactor *[Sofia Radio]* 8
Russian Nuclear Fuel Shipment Expected on 17 Oct *[Sofia Radio]* 8

CZECH REPUBLIC

Bavaria's Stoiber Opposes More Talks on Sudeten Issue *[Prague Radio]* 9
Past Plans for Germanization of Area Revealed *[LIDOVE NOVINY 30 Aug]* 9
Coalition Allegedly Divided on Approaches to EU *[PRAGUE POST 1 Aug]* 10
Klaus Expresses Skepticism About EU Bureaucracy *[FINANCIAL TIMES 2 Aug]* 11
Free Trade Zone To Be Established With Bulgaria *[PRAGUE POST 1 Aug]* 12

SLOVAKIA

Foreign Ministry Views NATO Enlargement Study *[SLOVENSKA REPUBLIKA 23 Sep]* 13
Welcomes Israeli-Palestinian Accord *[Bratislava Radio]* 13
Meciar Comments on Kidnapping Case, Soros Group *[Bratislava Radio]* 13
SIS People Allegedly Involved in Kidnapping *[SLOVENSKA REPUBLIKA 28 Sep]* 14
Commentary on Role of Intelligence Service *[CESKY TYDENIK 19-21 Sep]* 15
First Mass Rally by Trade Unionists Since 1989 *[SME 25 Sep]* 16
NBS Officials Discuss Inflation, Bank Credits *[NARODNA OBRODA 19 Sep]* 16

HUNGARY

Kovacs on Refugee Problem, NATO Expansion *[Budapest TV]* 18
Country Ready for Duties as Full NATO Member *[Budapest Radio]* 19
Ambassador Assesses Document on NATO Expansion *[MAGYAR NEMZET 29 Sep]* 19
Editorial Asks For Stronger Commitment From West *[MAGYAR NEMZET 29 Sep]* 20
Goncz Welcomes Settlement of Coalition Crisis *[Budapest Radio]* 20

BOSNIA-HERZEGOVINA

Holbrooke Begins Another Round of Talks *[AFP]* 21

Election, Cease-Fire Discussed *[Sarajevo Radio]* 21
Talks Continue on 30 Sep *[Sarajevo Radio]* 22
Spokesman Views Holbrooke's Belgrade Visit *[AFP]* 22
Holbrooke Informs Bosnians About Milosevic Talks *[Sarajevo Radio]* 23
Izetbegovic Comments on Latest Peace Talks *[Sarajevo Radio]* 23
Silajdzic Blames UN for Continuing Blockade *[Sarajevo Radio]* 25
Sacirbegovic Comments on Future of Sarajevo *[Sarajevo Radio]* 25
MBO Calls For Force To Lift Sarajevo Blockade *[Sarajevo Radio]* 26
Bosnian Serb Official Comments on Peace Process 26
Welcomes New York Agreement *[Belgrade Radio]* 26
Sees 'Independent States' *[DNEVNIK 29 Sep]* 26
Constitutional Issues Remain *[SRNA]* 27
Warns of Renewed Fighting *[Pale TV]* 27
Urges 'Equal' Republic *[SRNA]* 28
Sarajevo: 'The Key' *[SRNA]* 28
Active Russian Role Sought *[TANJUG]* 29
Karadzic Confident U.S. Can Resolve Obstacles *[AFP]* 29
Karadzic Comments on Accomodation of Refugees *[Pale TV]* 29
Koljevic: New York Pact Prevents 'Domination' *[SRNA]* 29
Sarajevo Serb Leaders Receive Duma Officials *[SRNA]* 30
Mladic: Serbs, Muslims Could 'Live Side by Side' *[AFP]* 30
Mladic Meets Russians, Says Situation 'Favorable' *[Pale TV]* 30
Russians View Bosnian Peacekeeping Role *[TELEGRAF 27 Sep]* 31
'Sources' on Plan for Russians in NATO's Force *[TANJUG]* 32
Commentary Looks at 'Reasons' for Peace Plan *[OSLOBODJENJE (Bosnian) 23 Sep]* 32
Commentary Lambastes Government 'Propaganda' *[SRNA]* 33
Serb Party Criticizes Lack of Power, Rights *[SRNA]* 34
Serb Officer Assesses Situation in Banja Luka *[NASA BORBA 26 Sep]* 34
Serbs Deny Missile, Artillery Attacks on Croatia *[Banja Luka Radio]* 36
Mostar Administrator on Postwar Situation *[Hamburg DIE ZEIT 29 Sep]* 36
Croat Forces Reportedly Loot Western Town *[AFP]* 38
UN: Slovene Envoy's Car 'Injured' Serb Soldier *[AFP]* 38
Red Cross Unable To Visit Prisons Since Feb *[AFP]* 38
Troops Reject Cease-Fire Calls, Want To Fight *[AFP]* 39

CROATIA

Galbraith Warns Against Force in Eastern Slavonia *[TANJUG]* 40
U.S. Official Urges Zagreb To End Violence *[TANJUG]* 40
Tudjman Urges 'Reintegration' of Territory *[Zagreb Radio]* 41
Granic Holds Talks With Foreign Ministers *[Zagreb Radio]* 41
Assesses New York Meetings *[Zagreb Radio]* 41
Granic on Reintegration of Occupied Territories 42
Right To 'Unilaterally' Resolve *[AFP]* 42
Part of Peace Package *[Zagreb Radio]* 42
Legal, Moral Aspect of 'Operation Storm' *[ARKZIN 1 Sep]* 42
Census in Krajina To Measure Ethnic Purity *[FERAL TRIBUNE 11 Sep]* 45
Croatia Blocking Return of Serb Refugees *[TANJUG]* 46
Serbs in East Slavonia Count on FRY Aid *[INTERVJU 22 Sep-6 Oct]* 46
'Harsh' Measures Against Krajina Serbs Condemned *[AFP]* 48

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Assembly Head Welcomes Admission to CE *[Belgrade Radio]* 50

Protest Against Interim Accord Planned for 4 Oct *[MIC]* 50

POLAND

Reportage on End of Shalikashvili Visit *[Warsaw TV]* 51
Joint Unit of Peace Forces With Ukraine *[Warsaw TV]* 51
Olesky on Elections, Russia, NATO, EU *[Madrid EL PAIS 29 Sep]* 51
Ex-EU Official on Reluctance To Expand Eastward *[GAZETA WYBORCZA 17 Jul]* 52
Sejm Rejects Presidential Veto of Pensions Law *[Warsaw Radio]* 54
OECD's Expectations for Poland, Schedule Reviewed *[RZECZPOSPOLITA 17 Jul]* 54
Article Favors Independent Central Bank *[ZYCIE GOSPODARCZE 18 Jun]* 56
State Role in Bank Ownership Seen Steadily Waning *[NOWA EUROPA 26 Jun]* 57
Continued Growth of Hard Currency Reserves Noted *[GAZETA BANKOWA 16 Jul]* 59
Attempted Money Laundering at Warsaw Bank *[WARSAW VOICE 16 Jul]* 60

ROMANIA

Daily on 'Duplicity' of Iliescu's U.S. Visit *[ADEVARUL 26 Sep]* 62
Interior Troops Halt Fuel Smuggling to FRY *[EVENIMENTUL ZILEI 27 Sep]* 63

SLOVENIA

Delegation Receives Document on NATO Expansion *[Ljubljana Radio]* 65
Thaler Deems Talks With Agnelli 'Step Forward' *[Ljubljana Radio]* 65
Government Negotiates Bosnian Repatriation Accord *[Ljubljana Radio]* 66

YUGOSLAVIA

Federal

Milosevic, Holbrooke Discuss Cease-Fire *[TANJUG]* 67
Milutinovic: B-H Wants To Delay Peace Process *[Belgrade Radio]* 67
Assembly Officials Meet Russian Duma Delegation *[TANJUG]* 69
Bulatovic on Russia's Demand To Lift Sanctions *[Belgrade Radio]* 69
Opposition Cautions About New York Accord *[Editorial Report]* 69
Refugees To Be Taken to Eastern Slavonia *[BETA]* 70

Serbia

Draskovic: FRY's Position Changed for Better *[TANJUG]* 71
Sandzak Leader on JUL Activities in Region *[TELEGRAF 27 Sep]* 71
Ethnic Hungarians in Baranja Fear for Their Lives *[MAGYAR HIRLAP 29 Sep]* 72

Kosovo

Rugova: 'Reason' To See Future With 'Optimism' *[Tirana TV]* 72
Bukoshi Views Situation as 'Catastrophe' *[Tirana TV]* 73

Hague Prosecutor Opposes Talks With Criminals

AU2909164495 Prague REFLEX in Czech 8 Sep 95 No 38, pp 10-11

[Interview with Richard J. Goldstone, chief prosecutor of The Hague International Tribunal for War Crimes in Former Yugoslavia, by Dana Braunova in The Hague; date not given: "I Am Not a Politician but a Prosecutor"]

[FBIS Translated Excerpt] [Passage omitted] [Braunova] Has it been difficult for you, with only South African experience, to understand what is happening in the former Yugoslavia?

[Goldstone] When I came here, I knew practically nothing about Yugoslavia. On the one hand, it was an advantage because I really had no prejudices or ready-made judgments; on the other, however, it required a lot of reading and studying of history.

[Braunova] How would you assess your work of one year in the post?

[Goldstone] First of all, I have obtained and evaluated a lot of material: expert reports, witness testimonies, and other documents from the United Nations, non-government organizations, former Yugoslavia, and other sources. We have also had to organize and staff our office, where 125 people from 35 countries are currently working, 50 of whom are investigators. We have branch offices in Zagreb and Sarajevo and hope that we will also open a branch office in Belgrade, although the local government does not recognize the powers of our tribunal and does not cooperate in the collection of evidence.

[Braunova] You are the chief prosecutor not only of the tribunal for former Yugoslavia but also of the tribunal for the investigation of war crimes in Rwanda. Why is that?

[Goldstone] Both tribunals were established on the basis of a decision by the UN Security Council. It is immensely important that they follow the same principles and procedural rules. If they worked separately, we would have one tribunal for Europe and one for Africa. Therefore, I consider the decision of the Security Council to appoint five appeal judges and one prosecutor for both tribunals prudent. There is, however, one fundamental difference between the two tribunals: While the investigation of war crimes in former Yugoslavia does not have time limits because the conflict continues, our powers in Rwanda are limited in time—from January to December 1993. We are investigating what happened during one year in one small country. Another difference is that we have the full support of the Rwandan Government, and our investigators are free to move around the country. Our investigators in Bosnia work under war conditions, and many times we have had to withdraw them temporarily from various places.

[Braunova] How far have you come in the preparation of individual cases for prosecution?

[Goldstone] We have filed a total of five charges, in which we have charged a total of 46 persons with crimes against humanity. They pertain to events of 1992-95 in Croatia and Bosnia. Among those charged are both high-ranking political and military officials and those suspected of war crimes in concentration camps, the terrorizing of the civilian population, looting, theft, the desecration of religious objects, the shelling of Sarajevo, and attacks against UN troops.

[Braunova] Among those against whom you have brought charges are also the Bosnian Serb leaders, Radovan Karadzic and Radko Mladic, and the leader of the Croatian Serbs, Milan Martic. Are you worried that, after you issued a warrant for their arrest recently, the UN member countries have to consider them as international criminals, thus rendering any talks impossible and bringing the situation to an impasse?

[Goldstone] If it has such consequences, there is nothing to be done. I have been given by the Security Council the task of investigating whether war crimes have been committed in former Yugoslavia and, if so, to collect evidence and draft charges. I will fulfill my task. I cannot deal with the political consequences of our work. I am not a politician but a prosecutor. Nevertheless, I am convinced that, if any leader committed such crimes as genocide, crimes against humanity, or violation of the Geneva Convention of 1949 on the Protection of Civilian Population in Time of War, he or she should not be a leader and no one should negotiate with him or her.

[Braunova] Of the 46 persons whom you have charged, only one person is held in a nearby penitentiary. Dusan Tadic, whose notoriety was acquired in the Omarska death camp in eastern [as published] Bosnia, who was extradited by the German authorities in April. The other cells reserved for people charged by your tribunal remain vacant. At the same time, according to the UN Security Council, the tribunal cannot sentence anyone in absentia. Could it be that the "biggest fish" escape justice?

[Goldstone] Of course, I would like to see all of those charged behind bars. Nevertheless, I consider it of lesser importance that they are not there than the fact that the world community, in general, and the victims of those charged, in particular, see that these crimes are not forgotten. Moreover, they will already be punished by having international warrants for their arrest issued

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and by becoming prisoners on the territory on which they are hiding.

[Braunova] Let us assume the hypothetical possibility that some Bosnian commando group abducted Karadzic and brought him to you in The Hague. Would you try him?

[Goldstone] I hope nothing of this kind will happen. As an international tribunal, we must use legal means. I am not an advocate of the idea that the end justifies the means.

[Braunova] Since you brought charges against Karadzic, Mladic, Martic, and other Serbian leaders, parallels have been drawn between this and the Nuremberg (1945-46) and Tokyo (1946-48) tribunals. Do you consider this justified?

[Goldstone] Yes, particularly in the sense that these two tribunals built on the same principle of punishability of crimes against peace, war crimes, and crimes against humanity, and individual responsibility for committing such crimes. Moreover, the tribunals were international ones in both instances. The main difference then lies in the tribunals in Nuremberg and Tokyo were military ones. We are a civilian tribunal established during the war, rather than upon its conclusion, and its judges and prosecutors have been appointed by the United Nations. Another difference is that our tribunal cannot ask for capital punishment.

[Braunova] It certainly is very important that this tribunal was established and works, but do you really believe that all of those who committed war crimes and crimes against humanity in former Yugoslavia will be actually punished?

[Goldstone] It is important that the leaders be punished, the people who bear the most responsibility for all of the horrors. The higher we get in the legal responsibility, the more victims will be at least morally vindicated and the more justice will be implemented. One only has to have a lot of patience.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Poland's Michnik Views Return of Postcommunists

AU0210081395 Sofia TRUD in Bulgarian 26 Sep 95 p 9

[Interview with Adam Michnik, chief editor of Warsaw's GAZETA WYBORCZA, by Svetlana Krusteva in Berlin on 22 September: "Russia Is the Key to the Situation in the Former Socialist Republics"]

[FBIS Translated Text] [Krusteva] Mr. Michnik, what conclusion have the liberals reached then? Is socialism returning or not?

[Michnik] No, absolutely not. There may be some truth in what your president said about the consolidation of postcommunism and in what I said about the velvet restoration. However, no threat exists that the totalitarian order, one-party system, dictatorship, censorship, and terror will return, provided one condition is satisfied—namely, that things go well in Russia. Russia is the key to this situation. My worst scenario is the return of totalitarianism in Russia, with slogans and banners.

[Krusteva] What do you think will happen in Russia?

[Michnik] That is what I am afraid of. I do not know what will happen. I read the Russian newspapers, listen to what Boris Nikolayevich [Yeltsin], Andrey Kozyrev, and General Grachev have to say...and I am afraid. I know that I may well be wrong, but I am nevertheless afraid.

[Krusteva] We heard today that your phrase "velvet restoration" aroused major debates. The Germans and some of your other colleagues disputed whether it is a velvet one or one carried out "with an ax," did they not?

[Michnik] It is clearly a velvet one. Just think—there is no terror, no wreaking revenge, no firing squads, no dictatorship, and no censorship. It is velvet, but it is still a restoration.

[Krusteva] Yet you claim that it is a sign not of defeat but of the triumph of the changes....

[Michnik] This is the paradox, just as the Restoration in France following the French Revolution was a paradox. Feudalism did not return. Restoration never means the return of the old regime, the old system. In this sense, it is a success because the velvet restoration is not recommunization but an adaptation of the old nomenclature to the conditions of the market economy.

[Krusteva] However, it turns out that the rulers of the past are best adapting themselves to the new conditions. They are once again at the helm. Is this not also a paradox?

[Michnik] This is not bad. They won their seats by democratic means, and, if they fail to abide by the conditions of democracy, they will lose in the next election.

[Krusteva] How long will that take?

[Michnik] By heaven, I do not know. I hope it will not be long.

[Krusteva] Nevertheless, who is to blame?

[Michnik] For what?

[Krusteva] For the fact that the people who wanted to make the changes failed to stay in power.

[Michnik] I fear that we are responsible.

[Krusteva] You are known in Bulgaria not only as a journalist and dissident, but also as a man who on two occasions made a scandalous gesture, to different people, it is true. How would you feel if someone took it into his head to make the same gesture toward you? Would you not feel insulted?

[Michnik] Yes, very much so, but if I have committed some monstrous act, I will understand it. I will realize that, if a crime is committed, the punishment must follow.

[Krusteva] Look, when I say "you," I do not mean you personally, but the dissidents and discontents who assumed power but were unable to keep it and use it properly.

[Michnik] Perhaps this is normal. It was exactly the same in the first stage following the end of Franco's dictatorship. All those who prepared the Spanish "transformation" lost in the elections. Maybe this is the logic of history. However, what is really important? It is that now there is no dictatorship, governments change, and the people are different. There is now a normal society, one that has very complex problems, it is true, but the totalitarian system is no more and the USSR does not dominate. This is normal life.

[Krusteva] What do you think about the West's attitude toward our common problems?

[Michnik] I think various things about the West in general. I like it a lot, but I feel a true love toward it, and true love, as you know, is love without illusions. What else can I say? That is my answer. Anyway, what in fact did you expect? That the West would take Poland or Bulgaria and pay our bills? This is impossible; no one can believe that. It should be clear to all of us that the West has its own egoistical interests, and everyone should be well aware of this when we think about our own interests and our own position.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Krusteva] What is your view about what is happening in Bulgaria? Our president is your friend, so you should be familiar with our problems....

[Michnik] I am very sad that the postcommunists have taken power.

[Krusteva] Did you not expect it?

[Michnik] Yes, I was afraid this would happen. I told my Bulgarian friends: "Do not repeat our mistakes." However, they not only repeated all of them, but made a lot more.

[Krusteva] More, you say?

[Michnik] Yes, of course. In Poland, it would have been impossible to burn the book *Fascism* in the public square. There is simply no open space where it is possible to stage such a terrible spectacle. On that occasion, I came to Sofia and made that scandalous gesture. Later, if you recall, the polemics followed: Three Bulgarian writers declared that I was a traitor, an animal, and so on. They faithfully followed the principle that, if there is a crime, there must be a punishment.

[Krusteva] Perhaps the most important thing is for a man to try to understand things, even if he does not accept them.... Are you such a man?

[Michnik] Excuse me, but I am already quite enough of a megalomaniac.... Would it not be a bit too much for me to claim this as well about myself?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Serreqi Meets Counterparts at UN Assembly

AU2909200795 Tirana Radio Tirana Network in Albanian 1430 GMT 29 Sep 95

[FBIS Translated Text] During his stay in New York, Albanian Foreign Minister Alfred Serreqi has recently met several of the heads of delegations of other countries, as well as top political personalities who are attending the proceedings of the 50th session of the UN General Assembly.

At a meeting with the Swedish foreign minister, Mr. Alfred Serreqi discussed the situation in the former Yugoslavia and raised the problem of Kosova, stressing the Albanian Government's viewpoints that the final solution to the conflict in the region cannot be realized without a solution to the Kosova problem.

On its part, the Swedish Ministry supported the idea of establishing monitors in Kosova and expressed the support of its government for Albania's associate agreement in the EU.

At a meeting with the Syrian foreign minister, Mr. Serreqi stressed that Albania's foreign policy is unprejudiced and open. Although we have the European integration as priority, we are also members of ICO [Islamic Cooperation Organization] and are also inclined to increase cooperation with Syria.

During talks with the Belgian foreign minister, Minister Serreqi favored the cooperation of both countries in the framework of multilateral organizations and forums.

For his part, the Belgian minister stressed the fact that Belgium is aware of the problem of Kosova and that this question is present in the Belgian Senate, too.

At a meeting with the Columbian foreign minister, Serreqi stressed that there already exist all possibilities for foreign investors to carry out an activity with a successful interest in Albania.

The Columbian minister expressed his readiness to continue contacts in the future.

Serreqi and EU Commissioner Van der Broek particularly discussed the possibilities of Albania reaching an associate agreement with the EU. Mr. Van der Broek pointed out that cooperation on this problem should further continue and that Albania will have the EU assistance on this.

At a meeting with the Maltese foreign minister, Mr. Serreqi expressed the mutual desire to further booster cooperation in fields of mutual interest, pointing out tourism.

With his Turkish counterpart, Serreqi stressed the changes in our country and invited the Turkish investors not to lose time but be activated in important fields with mutual economic interests.

Mr. Serreqi also spoke about the situation in the former Yugoslavia, expressing his concern over the situation in Kosova.

Talking with the Luxembourg foreign minister, Serreqi pointed out Albania's European orientation, which is a priority, and stressed that after Mr. Van der Broek's visit, efforts are made to sign an associate agreement with the EU, for which Mr. Serreqi asked for support.

At a meeting with the Iranian foreign minister, Mr. Serreqi thanked his Iranian counterpart for the statement he made at the general debate, demanding that the same solution used for the Bosnian Serbs be ensured for Kosova, Sanxhak [Sandjak), and Vojvodine [Vojvodino].

With his Slovak counterpart, Mr. Serreqi expressed his desire for a revival of relations between Albania and Slovakia, not only on a bilateral level but on a multilateral level.

For his part, the Slovak minister expressed the desire and interest of his own country to cooperate in the economic field. Regarding the situation in the region, Slovakia supports every agreement that would lead to a lasting peace in the Balkans, he concluded.

Views Cooperation, Kosovo Issue

AU0110142395 Tirana TVSH Television Network in Albanian 1735 GMT 30 Sep 95

[Telephone report by Sulejman Gashi from New York]

[FBIS Translated Text] On 28 September, Albanian Foreign Minister Alfred Serreqi held a meeting with British Foreign Minister Malcolm Rifkind, Bosnian Foreign Minister Muhamed Sacirbegovic, and the foreign ministers of Mexico, Iraq, and Slovenia.

Meanwhile, Serreqi held talks yesterday with Croatian Foreign Minister Mate Granic, the French state secretary, and Italian Foreign Minister Susanna Agnelli.

During these meetings, they exchanged viewpoints on bilateral cooperation, stressing economic affairs and the situation in the region.

One of the topics Albania put forward at these meetings was its stance toward the developments in the region, and particularly the necessity of resolving the Kosovo issue as a preliminary condition for a permanent peace in the Balkans, declared Sokol Braha, second secretary at the Albanian mission to the United Nations. Braha stressed that during all the meetings, a readiness has been shown to assist Albania to advance its economic reform further.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

These countries are following the situation in Kosovo with concern and there is some understanding, to a certain extent, regarding Albania's viewpoints in resolving the Kosovo issue, Braha said. He added that Albania's stance is to incorporate the Kosovo issue in the peace plan for a permanent solution to the crisis in the former Yugoslavia.

Minister Serreqi is to address the UN General Assembly session on 2 October in the afternoon.

Berisha Receives Malaysian Defense Minister

AU0110142195 Tirana TVSH Television Network in Albanian 1735 GMT 30 Sep 95

[FBIS Translated Text] Sali Berisha, president of the Republic of Albania, received Malaysian Defense Minister Syed Hamid bin Syed Jaafar Albar.

Expressing his pleasure for the visit, President Berisha thanked Prime Minister Mahathir and friendly Malaysia for the assistance rendered to Albania. Berisha also pointed out the very good relations and the friendship existing between our two countries in all fields and proposed the need that the economic and military cooperation be further increased.

Minister Meets With Counterpart

AU0110141795 Tirana Radio Tirana Network in Albanian 1330 GMT 30 Sep 95

[FBIS Translated Text] Continuing his official visit to Tirana, Malaysian Defense Minister Syed Hamid bin Syed Jaafar Albar held talks with his Albanian counterpart Safet Zhulali and the chief of the Army General Staff, General Sheme Kosova. Today, he also met President of the Republic of Albania Sali Berisha. Here is a report by our correspondent Villano Qiriazi:

[Qiriazi] Our attitude toward the conflict in Bosnia-Herzegovina and the development of our relations with Albania constitute an important aspect of Malaysia's policy in the Balkan region. This was confirmed by Malaysian Defense Minister Hamid right after the meeting he held with his Albanian counterpart Safet Zhulali.

[Begin Zhulali recording] We decided to continue cooperation in fields of mutual interest for both sides and render our modest contribution to peace and stability in our region and everywhere in the world. [end recording]

The solution to the conflict in the former Yugoslavia occupied a special place in the talks.

Albanian Defense Minister Zhulali hailed the first step toward reaching peace in Bosnia-Herzegovina and particularly the U.S. contribution to this. However, Zhulali added that Albania will continue to demand that the problem of Kosovo be solved within the framework of the general solution to the crisis. For this, Zhulali demanded Malaysia's support as well.

At the meeting, Mr. Zhulali expressed his pleasure over the good level of relations between the two countries, relations that will know new developments in the military field as well.

I came to Tirana precisely to get acquainted with these new directions of cooperation, Malaysian Defense Minister Hamid stressed for his own part. He assured his Albanian counterpart that the assistance of his country for the Albanian Army will surpass the limits of a qualification aid, which has so far been successful.

This is the first visit that a Malaysian defense minister has made to Albania in return of the visit that Albanian Defense Minister Safet Zhulali paid to this country some months ago. The relations between the two countries have seen fast developments after the visits that the chairmen of the two respective countries have exchanged.

Deputies Approve Military Penal Code

AU2909092495 Tirana TVSH Television Network in Albanian 1900 GMT 28 Sep 95

[Report by Timo Luto]

[FBIS Translated Text] The proceedings of today's plenary session started with the examination of the military penal code of the Republic of Albania. The penal code is being drafted for the military forces for the first time and it fully reflects the penal acts committed by the military in peace and war, as well as the legal measures against penal violations in the army. Regarding penal punishments and cases of infringements, the military penal code contains the necessary classification, starting with degrading and releasing a military up to a capital punishment for the acts committed either in war and emergency situation or in peace. The military penal code judicially protects the figure of a military and strengthens the discipline in the army.

Respecting international conventions, this code punishes bad behavior against war hostages, the damage or destruction of medical means of the Red Cross, etc.

The military penal code of the Republic of Albania entered the People's Assembly agenda to be examined at an accelerated procedure and was approved with a majority of votes by the parliament.

After the code was approved, a session of questions with Prime Minister Aleksander Meksi was held, something that was demanded by the opposition parliamentary

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

parties regarding the so-called police siege of the Court of Cassation.

Answering questions, Mr. Meksi said that there has been no police siege of the Court of Cassation, but a normal act by the police protecting the objects in conformity with their regulations.

Regarding the Justice Ministry dismissal of the three Court of Cassation employees, Mr. Meksi considered this normal in conformity with the ministry prerogatives over the administration of the courts.

The chairmen of the parliamentary groups of the Socialist and the Social Democratic Parties, Deputies Namik Dokle and Skender Gjinushi, expressed their disapproval with the answers given by PM Meksi, considering them as attempts on his part to hide and justify the truth about the events at the Court of Cassation.

Mr. Dokle considered the events at the Court of Cassation and the dismissal of Mr. Brozi to be a maneuver of the government to keep the leader of his party, Fatos Nano, in prison.

Deputies Dokle and Gjinushi demanded from the presidency to hold a session of parliamentary debate on this issue.

With this, the morning proceedings closed.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

FRY's Kontic Comments on Bosnia Situation, Ties

LD2909185495 Belgrade TANJUG in English 1835 GMT 29 Sep 95

["Pool" item]

[FBIS Transcribed Text] Sofia, Sept. 29 (TANJUG)—Yugoslav Prime Minister Radoje Kontic has told Bulgarian National Television (BNT) that peace may soon be restored in the territory of the Former Republic of Yugoslavia [FRY], 'on condition that the international community treats all sides in the Bosnian conflict equally.'

In a BNT broadcast dedicated to Yugoslavia and the Yugoslav-Bulgarian relations late on Thursday, Kontic said that the international community's support to one side in the conflict could result in an escalation of war operations, which would spread wider into the Balkans and have negative consequences for Europe.

Answering the question on the redrawing of the map of the Balkans, the Yugoslav prime minister said that the big powers' interests overlapped in this region and that the way to stop this was to promote cooperation among the Balkan countries.

Speaking about the Yugoslav-Bulgarian relations, Kontic praised Bulgaria's current principled policy of 'active neutrality in the conflict in the territory of former Yugoslavia and initiative of the government of the democratic left to lift the U.N. Security Council sanctions against Yugoslavia.'

Inspectors: 'No Technical Problems' With Reactor

AU2909185195 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 29 Sep 95

[FBIS Translated Text] The expert group of the Committee on Peaceful Use of Atomic Energy have completed the inspection of the Kozloduy nuclear power station's first reactor. It concluded that there are no technical problems that could prevent the restarting of the reactor.

The results of the inspection will be submitted to Yanko Yanev, chairman of the Committee on Peaceful Use of Atomic Energy.

Earlier today Rumen Ovcharov, first deputy chairman of the Committee on Power Supply, announced that at the beginning of the next week a meeting of international experts would take place in Bulgaria, at which the Bulgarian position on the pressure related to the first reactor of Kozloduy would be explained.

Russian Nuclear Fuel Shipment Expected on 17 Oct

AU2909202595 Sofia Khorizont Radio Network in Bulgarian 2000 GMT 29 Sep 95

[FBIS Translated Text] In mid-September permission was received from Ukraine for the passage of Russian nuclear fuel for Bulgaria's nuclear power station through its territory.

The fuel will arrive by mid-October, most likely on 17 October.

An agreement has been reached with Russia to send not only fuel for the fifth reactor, but also for the fourth reactor of the Kozloduy nuclear power station. The financial difficulties related to paying for the nuclear fuel have been eliminated, an announcement from the National Electricity Company reads.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Bavaria's Stoiber Opposes More Talks on Sudeten Issue

LD0110[illegible]295 Prague Radiozurnal Radio Network in Czech 1200 GMT 1 Oct 95

[FBIS Translated Excerpt] Bavarian Prime Minister Edmund Stoiber has expressed his opposition to further Czech-German talks on the Sudeten German issue. Our Bonn correspondent, Jiri Halousek, reports:

[Halousek] Edmund Stoiber said that in his view there was no point in holding further talks with the Czech Government on the issue of the Sudeten Germans. Speaking yesterday evening in the town of Hof near the Czech border, he went on to say that he was not prepared to put up with Czech Prime Minister Vaclav Klaus's unwillingness to discuss the issue of compensation and with his attempts to replace the expression expulsion [vyhnani] by such expressions as transfer [odsun] or evacuation [vysidleni]. He was referring to a recent interview given by Vaclav Klaus to HOSPODARSKE NOVINY paper in which the Czech prime minister denied Sudeten Germans' right to motherland.

Josef Lux, Czech agriculture minister and chairman of the Christian Democratic Union—Czechoslovak People's Party, was strongly criticized in Germany a few days ago, especially by those close to the expellees' unions and to government parties CDU and CSU, for having said that the land owned in the past by the Sudeten Germans and now owned by the Czech state should be sold during the privatization process to the Czechs only. [passage omitted]

Past Plans for Germanization of Area Revealed

95CH0363A Prague LIDOVE NOVINY in Czech 30 Aug 95 p 8

[Article by Jan Gebhart: "German 'Czech Problem'"]

[FBIS Translated Text] On the last day of August 1940, the Prague Office of the Reich Protector of the Bohemian and Moravian Protectorate sent an official letter addressed to Reich Minister Dr. Lammers. Its most important part contained two enclosures marked Secret. They contained a summary of views of the Protector von Neurath and State Secretary K. H. Frank on the methods of solving the "Czech problem and the future arrangement of the Czech-Moravian area." Lammers was to turn over both memoranda to the fuehrer, so that he himself would decide the next course of action in these questions.

The "Czech problem" became an important theme for the representatives of the Nazi occupation force already in the summer of 1939. At that time Hitler determined, in view of the hitherto peaceful conditions and his promise in his decree establishing the Protectorate to maintain Czech national autonomy, a policy line that was based on three basic premises: destroy the Czechs' will to have their own existence as a state, preserve Czech nationality, and incorporate the Czech-Moravian territory into the German Reich. It was the basis for one of the first memoranda produced in the office of the armed forces plenipotentiary assigned to the Reich Protector, General Friderici, dated 7 December 1939. Friderici asked that the Czech problem be approached in an entirely new way, especially "now that Germany is the uncontested master in the Czech-Moravian area." He therefore proposed to abolish the Czech community in the territorial as well as the spiritual sense, and to remove from Bohemia and Moravia its top stratum as soon as possible. Because, according to him, it was not possible to use under "normal conditions" (the general obviously had in mind the still-existing peace) "the radical method of physical extermination," he assumed that the occupiers could attain their goal by "1. deportation and transfer, and 2. absorption in the German territory."

A clear shift in the views on the "Czech problem and its final solution" occurred precisely at the end of summer 1940. The Nazi forces victoriously wound up their campaign in the West and began the battle for Great Britain. In addition, a new danger appeared to the continued existence of the Protectorate in the form of a plan by Hugo Jury, leader of the Lower Danube province. He assumed the incorporation of a large part of Moravia into his province, so that only a kind of Czech "reservation" would be left of the whole Protectorate. This united Neurath and Frank, in spite of their existing differences, as they felt their power ambitions threatened by Jury's plan. That is also why Neurath asked Lammers in his letter of 31 August 1940 for an opportunity to defend "as the authorized Reich's Protector and an expert on the Czech area" his stance before Hitler, before other proposals were submitted to him.

Both Neurath's and Frank's memoranda conformed in their view of the goals of German policy in the Protectorate: "a total incorporation into the German Reich and settling the territory with German people." The formulation of K. H. Frank was, of course, less diplomatic, when he wrote unequivocally about "a total Germanization of the territory and the people." In contrast to Neurath, Frank analyzed the practical measures of the stated principles of occupation policy and concretized the course their realization should take, including physical liquidation by means of "special treatment" (i.e., execution without a court sentence according to the decree of 20 September 1939). In consultations with Hitler

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

on 23 September 1940 the fuehrer approved their concept of Germanization of the Protectorate's territory and said that it would be possible, provided that concurrently the "racially unessential and to the Reich hostile part is eliminated, or, as the case may be, given the special treatment."

Although the words of the mentioned memoranda sometimes sound vague, the goals were clear. R. Heydrich demonstrated that after taking office in Prague.

Coalition Allegedly Divided on Approaches to EU

95CH0329F Prague PRAGUE POST in English 1 Aug 95 p 11

[Commentary by Daniel Kumermann: "EU Leadership Must Back 'Euro-Realists'"]

[FBIS Transcribed Text] Headquarters are being fortified, trenches dug, and guns loaded with the heaviest arguments: All these unmistakable signs point to a new war within the Czech ruling coalition—and possibly within the whole political scene.

This time the war will be about Europe—or rather, about how to approach Europe.

The front line was clearly demarcated over the last two months by two men who turned into natural leaders of the opposing camps. One of them is—quite naturally—Prime Minister Vaclav Klaus. The other—almost surprisingly—is Minister of Industry and Trade Vladimir Dlouhy.

Klaus' line on Europe is already notorious, but he outdid himself in his May speech to the Chicago business community. In it, he outlined to his attentive listeners his vision of what would happen after the Czech Republic joined the European Union. He assured them that Czechs won't let the socialism of the Brussels "Eurocrats" mar the sacred soil of Czech libertarianism.

Instead, he promised that the Czechs would bring their "Velvet Revolution" to Brussels. According to observers, the Chicago business people nearly clapped themselves to death. It must have been a great image for them: Klaus in shining armor, driving out Brussels crypto-communists such as Jacques Chirac and Helmut Kohl.

One can't but wonder whether the European leaders greeted Klaus' vision with the same enthusiasm. And that is where Mr. Dlouhy comes in: In his article published in MLADA FRONTA DNES July 1, he describes the European White Book, which was presented at the European Union summit in Cannes, France, and outlines the necessary steps future applicants to the Union must take.

Dlouhy tries to explain in his text that the Czech Republic should subject itself to the suggested steps because they could produce very useful economic results. Underneath all this utilitarian language, however, one can easily discover the realistic attitude about the Czech Republic's true place within Europe, the kind of realism that is not so common in the case of this particular minister.

So far, it is difficult to say whether Dlouhy's action was his own breakthrough decision or the product of an understanding reached within some group. Quite a few members of Dlouhy's Civic Democratic Alliance (ODA) have already—either privately or publicly—voiced similar views, and the prime minister's U.S. show might easily have been the spark to trigger some kind of action.

One way or another, it is obvious that flags were raised and that the two opposing camps have got the nuclei to build around. The point seems to be proven by the indignant reaction to Dlouhy's text from several of Klaus' apologists in the Czech media.

It will be interesting to see which group (if any) Foreign Minister Josef Zieleniec joins. On the one hand, he is reasonable enough to understand the reality of the Czech Republic's situation in Europe, and he has already had his share of problems with Klaus. On the other, he tries to be loyal to Klaus most of the time.

More interesting will be the position of the European Union itself. The EU's attitude toward Czech integration was expressed well in a recent interview in LIDOVE NOVINY by European Commission head Jacques Santer. Besides a few lofty words about the Czech Republic's membership being a virtual necessity, it was a string of vague pronouncements and elusive words.

No wonder. The EU has quite a few problems of its own these days, and there are not that many reasons why the Czechs should join it anytime soon. The often-stated reason, that drawing the post-communist countries into the family of democratic European nations can assure their democratic development, does not seem urgent in the case of the Czech Republic.

If this is the situation, the European Union leaders should say so frankly. Klaus' excessive performance in the United States was in part their fault: So far they have reacted to all his anti-EU rhetoric with blase smiles, thus reassuring Klaus of his vision of himself as the liberal savior of Europe.

Now, they have a clear chance to make up for all that. If they do not dare to shout Klaus down, they can at least give support to the "Euro-realist" camp in this country.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Klaus Expresses Skepticism About EU Bureaucracy

95CH0331A London FINANCIAL TIMES in English 2 Aug 95 p 2

[Article by Vincent Boland: "Is the EU Good Enough for the Czechs?"]

[FBIS Transcribed Text] Mr Vaclav Klaus, Czech prime minister, delights in his reputation as the leading Euro-skeptic in central Europe. He parades the Czech reform process as far superior to what has been achieved in many member states and frequently spurns EU aid programmes, arguing that the money would be better spent in Portugal, Ireland, or even Italy. He also speaks of the need for "a velvet revolution in Brussels" when his country joins the European Union.

He has a knack of irritating many Eurocrats with pronouncements which might seem counterproductive from the leader of a country whose main foreign policy goal is early membership of the Union. But his position is indicative of a view widely held in Prague—that the next phase of EU expansion will be unlike any seen before, both in the nature of the applicants and in the consequences for EU structures of their eventual entry, and that Brussels has yet to come to terms with this.

Mr Klaus's outlook also betrays a quiet confidence in the belief that his country is ready on virtually every front for EU membership. Democratic institutions are in place; civil and human rights are protected; economic reforms have created a vibrant market economy; and low debt and balanced budgets are the envy of more profligate countries.

Two recent privatisations, of SPT Telecom and the oil refineries, in which minority stakes were sold to big western investors, have bound the economy even closer to the European mainstream, and 48 percent of Czech exports is now with EU member states compared to 32 percent in 1990.

Critics of the government, however, maintain that its focus is exclusively on the economic dimensions of EU membership, ignoring the wider issues of integration which will firmly return the country to "the heart of Europe."

"For Klaus the EU equals the single market and nothing more," says Dr Zdenek Srein, professor of national economy at the University of Economics in Prague. There has been no debate on what he terms "the way of life" of the EU, the wide approximation of laws, policies and ways of doing things that membership will entail. "This aspect of our accession has been ignored."

This is because many Czechs fear that in the short term the Czech Republic has more to lose than to gain from joining the European club. The loss of sovereignty that will undoubtedly result from its closer integration into European institutions is one of the main factors in the government's attitude towards membership. Mr Klaus likes to say that the Czechs did not escape from the clutches of Moscow merely to fall under the sway of bureaucrats in Brussels.

Sensitivity is already apparent in the debate over the future of the koruna, the Czech currency. Market pressure is rapidly forcing the government to ease the tight exchange rate policy which has kept the koruna stable for over four years. Upward pressure on the currency reflects foreign perceptions of economic success that can only be enhanced by joining the EU.

Despite the achievements, however, the Czech economy will still face many difficulties in adapting to a new trading environment inside the EU after having dealt with many of the problems thrown up by the transition from communism to the market.

The banking sector, for example, has been transformed in the past four years and Mr Jan Vit, vice-governor of the Czech National Bank, says two-thirds of banking regulations are compatible with EU standards, including deposit insurance. He warns, however, that the sector is still inexperienced and vulnerable. The banks have yet to come to grips with four years of rapid expansion or with the problem of bad debts, both those inherited from the old system and those incurred since then through ill-judged lending.

Entry will also be a severe test of the competitiveness of Czech industry, much of which is obsolescent, capital-starved and still finding its feet after recent privatisation. Many companies still have to prove they can compete in a barrier-free environment, economists say, after being protected by an artificially low exchange rate for four years.

Ministers, however, point to the scope of privatisation and size of the growing private sector as evidence of the robustness of the economy. Mr Karel Dyba, the economy minister, said recently that he did "not expect any significant macro-economic disturbances emanating from membership."

He described the EU as "a moving target we're aiming at," and added that until the process of enlargement became clearer further debate was somewhat academic.

He ruled out the possibility of new entrants from the east having to cope with a single currency, at least in the initial stages of membership, saying it was unlikely to be in place that soon.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Prague is expected to apply for EU membership before next year's Intergovernmental Conference on revising the Maastrict treaty. This will coincide with a general election in which the government is certain to tout the country's readiness to join the EU as the best reason to give it four more years in power. An opinion poll this month showed that only 44 percent of Czechs expressed an interest in joining the EU, suggesting that Mr Klaus's Euroscepticism is widely shared. But Dr Srein suggests this may just be a result of the narrowness of the debate surrounding membership. "We still have to decide what kind of Europe we want to join," he says.

Free Trade Zone To Be Established With Bulgaria

95CH0329C Prague PRAGUE POST in English 1 Aug 95 p 6

[Article by Alex Friedrich: "Free-Trade Zone Planned With Bulgaria"]

[FBIS Transcribed Text] Through separate agreements, the Czech Republic and Slovakia should have a free-trade zone set up with Bulgaria by the beginning of next year, said Tomas Husak, assistant deputy minister of the Ministry of Industry and Trade's Foreign Trade Division.

Starting January 1, 60 percent of goods traded between the Czech Republic and Bulgaria will be duty-free during a three-year transition period. After that, the agreement will include 90 percent to 95 percent of traded goods.

Trade between the Czech Republic and Bulgaria was valued at $78 million last year (about 2 billion korunas [Kc]). In the first five months of this year, it was $31.3 million, 12 percent more than in the same period of 1994. In 1996, this trade is projected to increase to around $150 million as a result of the agreement. Slovakia had $22 million worth of trade with Bulgaria last year.

"Czech goods are already well-known in our market," said Antoaneta Jankova, commercial counselor at the Bulgarian Embassy. The Bulgarians will continue to protect around 10 percent of their market, which Jankova described as "special things that are also being negotiated about in the European Union and the General Agreement on Trade and Tariffs."

Her country "intends to export all quality goods: machinery, finished goods, agricultural and chemical products," she said.

"Priorities for the Czech governmentare industrial products: machinery, transport machinery and consumer goods," Husak said. Agricultural products are still a sensitive issue, however. "It's a very difficult situation, and we still have a long way to go."

Slovakia already has a bilateral free-trade agreement with Bulgaria. Thus, a potential disintegration of the Czech-Slovak customs union would not put the Czech agreement in jeopardy, Husak said.

Neither will the free-trade agreement affect the current Central European Free Trade Agreement (CEFTA), Jankova and Husak said. CEFTA is made up of the Czech Republic, Slovakia, Poland and Hungary. Bulgaria is also interested in joining CEFTA. Its privatization process—with the help of Czech advisors—is scheduled to be in full gear by September.

The Czech Republic's trade with other CEFTA countries totaled Kc60.1 billion in the first four months of this year, 16 percent more than in the same period of 1994, according to preliminary reports by the Czech Statistical Office.

Bulgaria is also holding talks on free-trade zones with Romania, Poland and Hungary, Jankova said. The Czech Republic is progressing well in free-trade negotiations with Israel, Husak said, but similar talks with Turkey "are not proceeding smoothly." As a step toward admittance into the European Union, the Czech Republic will start negotiations soon with other Mediterranean countries.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Foreign Ministry Views NATO Enlargement Study

AU2909170195 Bratislava SLOVENSKA REPUBLIKA in Slovak 23 Sep 95 p 2

[Statement by the Slovak Ministry of Foreign Affairs: "We Will Establish Conditions for Integration Into NATO"]

[FBIS Translated Text] Bratislava—The Slovak Republic welcomes the approval by the NATO Council of the text of the study on the reasons and methods of NATO's enlargement and regards it as further proof of the irreversibility of the NATO Council's decision of December 1994 to expand the number of NATO member countries. The stipulation of basic criteria that future new NATO members will have to meet prior to the invitation to become members will determine the direction of the Slovak Republic's specific steps in the effort to integrate our country into this important transatlantic political and security organization. The Slovak Republic is ready to analyze the NATO study and to consult its contents with a NATO team that it expects in Bratislava as soon as possible. The Slovak Republic's continuous preparation for NATO membership is one of the priorities of our foreign and domestic policy. Realistic and pragmatic policy and everyday cooperation with NATO are establishing optimal conditions for our integration into the alliance.

Welcomes Israeli-Palestinian Accord

LD2909185395 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 29 Sep 95

[FBIS Translated Text] The Ministry of Foreign Affairs welcomes with great pleasure and satisfaction the agreement achieved between Israel and the PLO on full Palestinian autonomy on the West Bank of the River Jordan. The ministry considers the signing of this agreement a very important shift in the implementation of the agreed principles of the Palestinian-Israeli settlement and an extremely important step on the way to an overall and final peaceful settlement of the Arab-Israeli conflict.

Meciar Comments on Kidnapping Case, Soros Group

LD2909214395 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1700 GMT 29 Sep 95

[Prime Minister Vladimir Meciar regular Friday interview with correspondent Magda Pospisilova—live or recorded]

[FBIS Translated Excerpt] [Passage omitted] [Pospisilova] The police are the least trusted institution. Don't you think that accusations made by Ivan Lexa, the Slovak Information Service [SIS] director [in connection with the investigation of the abduction of Michal Kovac, Junior], are the last step to a total mistrust of the police? The police investigators and their supreme boss have said they are innocent because, as they have said, they act in compliance with the law. The director of the Investigation Section, Colonel Lamacka, has strongly protested against these accusations by the SIS director. Prime Minister, some people expect you to take a decision on the matter.

[Meciar] There is some tension between the police and the SIS. [passage omitted]

I do not have sufficient information. The investigator keeps briefing the president, but he briefs neither the interior minister nor the prime minister. I have therefore no right to make any conclusions.

There is a certain tension within the institutions. I envisaged this happening already on the first night when Minister Hudek met the president on the border and when he was told by the president that the abduction had been carried out by certain institutions—meaning the SIS—and that he had been warned in advance.

I believe the least a father can do in such a situation is to notify the Office for the Protection of Constitutional Officials and demand protection for his son. It would have been granted. I can see now that the case is developing into something totally different. The investigation of the crime has stopped. Crime experts are beginning to take stances on political issues. They are engaging in a discussion of political matters. They judge the government. They judge the television. They are communicating where they have no right to do so and they are being received where they have no right to be received. The president can only demand a report from the minister. That is all. Moreover, he is biased in this case.

In my view, there is an effort to develop a certain motive following this line: let us find anybody within the SIS who can be found guilty, then accuse the SIS as a whole and then—because the SIS is subordinate to the government as the government appoints and recalls the head of the SIS—accuse the government as a whole. Some people even speculate that some clergy could be won over in order to issue an antigovernment statement and demand that the government resign.

Whether Michal Kovac, Junior was abducted or not has long ago ceased to be an issue. His private life is no longer an issue either, although there are various aspects to it and the results of investigation indicate that there are many aspects that are not very nice. We all have children, but not every offspring is one that a parent would boast of. However, when trying to resolve a matter of criminal or noncriminal involvement of a

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

child, we should not allow it to develop into a struggle between constitutional institutions such as the president, the government, the SIS, and the police.

The case began to develop in a wrong direction. The Council of Defense today very critically assessed the situation both with regard to the SIS and the police. The council recommended to the interior minister that certain measures be taken. If somebody wants to engage in politics, there is no place for him in the police. Let him or her get a job at the political headquarters. [passage omitted]

[Pospisilova] This week, the Austrian daily DER STANDARD published an economic analysis by experts from the Central European University in Prague and Colombia University in the United States. The analysis says, among other things, that you have sparked off fireworks in the sale of state enterprises. [passage omitted] Could you comment on this, Prime Minister?

[Meciar] I have no intention whatsoever of attempting to explain this patchwork of Soros's ideas. [passage omitted] Why should I be explaining this patchwork of ideas put together with a certain aim in mind for which the evidence is sought only subsequently, as an afterthought. [passage omitted]

In a way, this article has cheered me up. After reading it, I felt satisfaction. What they hold against me in the article is that I have not made it possible for those from abroad to seize capital in Slovakia cheaply. Thank you, my dear little Meciar [Meciarko] for at least having achieved this, in spite of the fact that all others are annoyed by it.

I am interested in the citizens of this state, I am not interested in Soros and all his lackeys both in our state and abroad. I merely register the existence of these people, I do not give a hoot about them. They can keep awarding medals to some of our officials, but I am following the program approved by our citizens, serving them in the way they have chosen.

There are a lot of explicit lies, untrue statements, and a heap of rubbish. In fact, I am sorry about the time I spent when I devoted several minutes to reading that nonsense, without achieving anything, instead of working effectively and productively.

I can foresee Soros's lackeys in Slovakia crying out what an excellent man and benefactor and so on he is. But I still do not know where one can see that charity. But I am rather aware of what is going on in politics; as far as I know, wherever he has been active, they are attempting to push him out [vysankovat ho] because he takes a lot and gives little.

SIS People Allegedly Involved in Kidnapping

AU0210075195 Bratislava SLOVENSKA REPUBLIKA in Slovak 28 Sep 95 pp 1-2

[Article by Andrea Hinkova and Miroslav Sasky: "Peter Vacok: I Believe That, in Some Cases, Ivan Lexa's Procedure Was Not in Accordance With the Law"]

[FBIS Translated Excerpt] Bratislava—[Passage omitted] Yesterday we visited Peter Vacok, chief investigator of the abduction abroad of Michal Kovac, Junior. [passage omitted] Regarding the possible participation by the Slovak Information Service [SIS] in the abduction, Major Peter Vacok stressed that, in his opinion, it was not the SIS that participated in the perpetration of this criminal act (?) but equipment from the SIS and certain people who, as everything indicates, are working there. In view of the fact that the person against whom he filed charges refused to testify on the grounds of being bound by the oath of silence, the investigator assumes that this person works in a certain state organization applying the oath of silence, one of which is the SIS. He, therefore, turned in writing to the director of the secret service, with the aim of verifying whether the suspect really works there. He supposedly also had one more reason for doing that, about which he cannot speak, however, because it is the subject of investigations. [passage omitted]

Peter Vacok understands that, because of certain accusations that have appeared in the mass media, the situation of the SIS and its director is not good. Moreover, there was the specific intervention on his part. Vacok had summoned three persons suspected of having committed this criminal act and even filed charges against one of them. He does not know whether these persons were SIS employees but, in view of Ivan Lexa's reaction, he supposes that they probably were. He does not know this officially, however.

Reacting to the criminal charges filed against him [by SIS Director Ivan Lexa], Peter Vacok said: "If Ivan Lexa thinks that I have violated the law through my activity, and is deeply convinced of this, it was his duty as citizen to do what he did. Naturally, everything will be up to the criminal prosecution bodies that will investigate the matter."

Vacok said that an effort to discredit him as a person could be involved, but that is only his subjective impression. [passage omitted]

Reacting to Ivan Lexa's recommendation that the case not be dealt with by the Police Corps' Regional Office of Investigations, but by another investigating body, Peter Vacok said that this confirms his suspicion and suggests that, apparently, he, Vacok, is an unpleasant investigator

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

for the SIS. He supposes that the investigators, too, will now have to resort to certain defense. He also conceded the possibility of the investigators appealing to the criminal prosecution bodies as well, because, in some cases, Ivan Lexa's procedure was not quite in accordance with the law, in their opinion. Peter Vacok expressed the hope that also the parliament chairman and the chairman of the special parliamentary body for supervising the SIS would realize the seriousness of the situation. According to him, the time is ripe for the supervisory bodies to deal with the activity of this organization, on the basis of the ascertained facts.

Commentary on Role of Intelligence Service

AU2909140595 Prague CESKY TYDENIK in Czech 19-21 Sep 95 No 75, p 21

[Commentary by Ivan Vilcek: "The Secret Service at the Center of Attention"]

[FBIS Translated Text] Bratislava—The Slovak Information Service (SIS) was established after the breakup of Czechoslovakia and was based on the former Federal Information Service. Prime Minister Vladimir Meciar has strived from the beginning to place his cronies in all of the SIS's structures. Shortly after the first head of the secret service, Vladimir Mitro, entered office, virtually no stone of the federal foundations was left standing. A certain turning point came in the spring of 1994 when, following a vote of no confidence in V. Meciar's government, the SIS leadership remained loyal to the new Slovak Government. According to some sources, the secret service had also played an active role in bringing down the Meciar government. When Meciar went into the opposition, the Movement for a Democratic Slovakia (HZDS) started building its own intelligence network. Following its anticipated victory in the early parliamentary elections, the members of this "shadow secret service" were supposed to have been installed in the decisive posts within the SIS. The coordinator of the HZDS's intelligence activity was Jaroslav Svechota, a former State Security officer, who is regarded as the eminence grise of Meciar's movement.

Immediately after the early parliamentary elections last October, a HZDS delegation led by Deputy Chairwoman Olga Keltosova and Ivan Lexa called upon President Kovac to resign. The president had become the main target of HZDS attacks for his active role in the dismissal of the previous Meciar government. Michal Kovac refused to resign from his post voluntarily and the attacks on him continue to this day. First and foremost, the governing coalition has been striving with unusual intensity to get rid of Kovac since the beginning of the year when the majority of National Council deputies expressed no confidence in the president. However, this act had no legal justification, because the opposition did not attach itself to the declaration and, consequently, the support of the constitutional majority necessary to dismiss the president could not be obtained. Ivan Lexa, who is known to be a personal enemy of President Kovac, was appointed SIS head by the governing majority. Jaroslav Svechota became head of Slovak counterintelligence.

During the same period, the progovernment daily SLOVENSKA REPUBLIKA launched a seditious campaign against the president and made sensational accusations concerning the president or members of his family virtually every day. The president's younger son, who is a successful businessman, was the main target of the attacks. Circles close to the Slovak Information Service played a key role in his recent kidnapping to Austria. For example, a former member of the National Security Corps and a recent SIS associate, Vladimir Levich [name as published], was at the border to make sure that the car carrying the kidnapped Michal Kovac, Jr. got across safely.

Opposition deputies are demanding that parliament exercise efficient control over the activity of the secret service. The governing coalition, on the other hand, has installed only deputies from among its own ranks in the supervisory body overseeing SIS activity. Thus, the possibility for supervision has been reduced to a minimum. According to some reports, the SIS's powers have been extended to monitoring constitutional officials. The SIS head has not complied with the request from the police investigator dealing with the M. Kovac Jr. kidnapping that some SIS members be relieved of their oaths of silence.

It is not good for any state when too much is said about the head of its secret service. This means that something is not quite right in Slovakia. Ivan Lexa recently submitted a complaint to the Prosecutor General's Office against the dailies NARODNA OBRODA, SME, and PRAVDA for the "crimes of endangering state security, defamation, spreading alarming reports, and endangering state and official secrecy." In practice, however, the aforementioned Slovak dailies were merely pointing to the possibility of a political background to the kidnapping of Kovac Jr. Lexa backed up his complaint with 69 pages of newspaper clippings and is demanding a prosecution in this matter.

According to the SIS head, journalists are discrediting Slovakia. Ivan Lexa, in this context, is forgetting about Jaroslav Svechota, the counterintelligence chief, about his involvement in the investigative group dealing with the kidnapping of Michal Kovac Jr., and about the dismissal of the leading investigator, who was removed

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the day after he manifested a decisive intention to clear up the whole incident and relieve SIS officers of their oaths of silence. The beating up of opposition Deputy Miklosko by professional thugs likewise does not contribute to a positive assessment of democratic development in Slovakia. An atmosphere of fear is being created in the country. Threats, physical violence, and kidnapping are becoming part of political life there. This way, the road does not lead to the West, but to the East, and straight to the Balkans.

First Mass Rally by Trade Unionists Since 1989

AU2909170395 Bratislava SME in Slovak 25 Sep 95 p 1

[Article by "lsz": "The Unionists Were Demonstrating Against the Poor Social Situation but Not Against the Government"]

[FBIS Translated Excerpt] Bratislava—For the first time since November 1989, unionists demonstrated in Bratislava's Slovak National Uprising Square on Saturday [23 September]. According to the main speaker, Confederation of Trade Unions President Alojz Englis, their protest rally did not have a political undertone. The location of the demonstration was not chosen for political reasons. "We are not demonstrating against the government, but against its decisions in the social sphere, which we consider to be bad," he emphasized several times. The organizers said that 30,000 people took part in the demonstration.

The increase in the cost of mass transportation and the abolition of fair subsidies in July provided the initial stimulus for holding the protest rally. The trade unions do not agree that the consequences of economic reform should be borne by working people alone. [passage omitted] The demonstrators also made clear their dissatisfaction with the government's privatization policy. They consider the participation of the employee tier in the privatization of enterprises to be inadequate. They also disagree with the selling off of enterprises belonging to the National Property Fund [FNM] to a few people at low prices. "If the FNM shares were sold sensibly, there would be resources for education, health care, and the social sphere," said the speaker from the KOVO trade union. A few older pension-age citizens tried to disrupt the course of the demonstration. It proceeded without incident, however, thanks to the police and the organizers.

NBS Officials Discuss Inflation, Bank Credits

AU2909131195 Bratislava NARODNA OBRODA in Slovak 19 Sep 95 pp 1-2

[Article by Alica Durianova: "Favorable Monetary Development, Lagging Legislation, and Question Marks Over Agreements With the Czech Republic"]

[FBIS Translated Text] Bratislava—If the rate of inflation develops as favorably as it has so far, I am confident that the new Slovak banknotes will not have to be replaced for a very long time, National Bank of Slovakia [NBS] Governor Vladimir Masar said yesterday, during a presentation of the newly issued 200 Slovak koruna [Sk] bill. His subsequent information confirmed the favorable monetary development, which not only allows the NBS a higher degree of the koruna's convertibility, but also a lowering of the interest rates. According to Masar's words, the development of inflation has been sterilized by the sale of state treasury bills, which siphoned off the banks' excess liquidity. In the first eight months of the year, inflation reached 4.6 percent. The annual rate of inflation in August, compared with August a year ago, was 9.8 percent, so the attainment of the NBS's goal—end-of-year inflation of 8 percent—seems realistic. The foreign exchange reserves reached $4.3 billion as of 12 September, of which the NBS's foreign exchange reserves amount to $2.7 billion. The balance of payments of the Slovak Republic is also developing favorably—as of 31 May 1995, it showed a surplus of Sk8.3 billion. The gross indebtedness of the state reached $5 billion in the first six months of the year, of which the government's and NBS's combined debt was $2.5 billion. As of 13 September 1995, there was a budget deficit of Sk3.3 billion, while the clearing system with the Czech Republic showed, as of 14 September, a surplus of ECU154 million in the Slovak Republic's favor.

NBS Vice Governor Jozef Mudrik, who spoke about the progress of work on restructuring Slovak banks' credits, stated that the volume of problematic or irrecoverable credits has even increased, due to the new, very strict classification of bank credits.

The whole process of solving this situation has come to a halt, particularly as a result of the inadequate pace of preparation of new legislative norms—the law on the income tax, which should grant tax relief to banks on account of irrecoverable credits, but also the law on banks, the law on insuring deposits, and the law on the NBS.

NBS Vice Governor Marian Jusko confirmed the NBS's participation in talks with the Czech side on social transfer payments between the two countries in the wake

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of the cancellation of the clearing system. The final outcome of these talks in the form of an agreement is, however, within the jurisdiction of the two countries' ministries of finance, Jusko said. NBS representatives do not know when this agreement, as well as the agreement on technical provisions for terminating the clearing system, will be signed.

[Bratislava PRAVDA in Slovak on 19 September on page 3 carries a 300-word report by "ip" on the NBS briefing, which adds that the volume of koruna credits for businesses and households reached Sk290.1 billion at the end of August, while the volume of deposits totalled Sk243.9 billion, Sk6.2 billion more than at the end of July.]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Kovacs on Refugee Problem, NATO Expansion

LD0110230295 Budapest MTV Television Network in Hungarian 1800 GMT 1 Oct 95

[FBIS Translated Excerpt] [Correspondent] Good evening. Tonight our studio guest is Foreign Minister Laszlo Kovacs, who returned this morning from New York, where he participated in the UN General Assembly and also held a number of bilateral talks. We have mentioned in our news summary that he called the attention of those present at the UN General Assembly to the dangers of the forced change of the ethnic composition of population in Yugoslav territories. The question is how this call, this warning has been received.

[Kovacs] It was received with agreement. In addition to the fact that I laid great emphasis on this in my speech at the General Assembly, I raised this issue at bilateral talks with the UN secretary general and with almost 20 foreign ministers, including the foreign ministers of all five [former] Yugoslav states.

There was an agreement that this was a dangerous situation. What is more, and perhaps the most important fact, is that at my talks with the new Yugoslav Foreign Minister Milan Milutinovic I had the impression that they would somehow like—so to speak—to get rid of this refugee problem. That is to say, they would like to achieve that the refugees return to their original home, and this has explicitly been expressed by him. For them this refugee problem is very difficult to manage. He agreed that a solution has to be found to ensure that the resettlement does not change the ethnic composition of the population.

[Correspondent] In addition to general information, do people in the other parts of the world know what is happening in Vojvodina, that, for example, Hungarian people are taken to forced labor? I wonder whether attention focusing on military conflicts does not distract attention from this area?

[Kovacs] Those who seriously deal with the Yugoslav conflict—as is the case with the United Nations where professional diplomats and foreign ministers deal with the problem—are naturally aware of this. When we were discussing the possibilities of the settlement of the entire Yugoslav crisis, for example at the earlier mentioned bilateral talks, not only was the cease-fire on the agenda, but the entire settlement process.

I think, that there are four large questions waiting to be resolved. One of them is the humanitarian package, that is the return of the refugees. The other is the package of democracy: The elections in Bosnia and, in general, to put a democratic institutional system into operation in the [former] Yugoslav states, where it is not functioning now because of military events. The next is the observation of human rights, and here I am laying great emphasis on the observation and guaranteeing of minority rights. Economic reconstruction and arms reduction are also parts of this process. The road to peace is a very complex and complicated process.

[Correspondent] Where can the OSCE play the most important roles within this process? What kind of tasks can it take over from the United Nations?

[Kovacs] The New York agreement concluded, with U.S. mediation, by the three foreign ministers concerned specifically includes the OSCE role in the preparation, organization, and supervision of the Bosnian elections. This is the short-term, concrete task of the OSCE.

Furthermore, when I was outlining these four groups of problems, stressing that the OSCE could play some kind of role in all four of them, there was an agreement about this as well. Not only the foreign ministers of the Yugoslav states involved in the conflict agreed with this, but the U.S. foreign affairs leadership, including Richard Holbrooke, whom I also met, the French, the British, and the German foreign ministers, Carl Bildt, the EU mediator in the Yugoslav crisis, as well as the UN secretary general.

[Correspondent] The expansion of NATO was also on the agenda at these talks. Do you agree with the assessments that talks on concrete issues with the Central and Eastern European countries will become a reality only after the Russian and U.S. elections?

[Kovacs] I think it is natural that this process cannot take place from one day to another, for a lot of interests have to be harmonized here. Interests of the 16 member states, those who intend to become members, and those who would like to stay outside of NATO have to be coordinated. That is to say, this is a rather long and complicated process and it is very likely that meanwhile the Russian elections will take place and the U.S. presidential election will also progress, at the least.

I think what so far happened in the matter of NATO expansion is in line with preliminary plans. I do not agree with the remarks that what was published in Brussels caused disappointment. It did not cause disappointment, NATO presented exactly what it had promised: By the end of September to sum up in a paper the conditions of the enlargement—the steps the individual countries have to take in order to become members, the consequences of the enlargement on NATO and the international environment, and the way the entire process fits in an all-European security

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

process. NATO did exactly this and was prepared with this document by 28 September.

[Correspondent] In this context, how should we assess the Moscow statement that they will establish a little Treaty of Warsaw if the expansion of NATO to the East goes ahead according to the original plans?

[Kovacs] Well, in order to create a little Treaty of Warsaw, naturally, member states are required. I think the Warsaw Pact they will bring together will be a very little one. NATO made it clear, and it also complies with the Hungarian position, that similarly to other states, Moscow, naturally, has no right of veto in the expansion of NATO. Russian political life has difficulties in accepting the enlargement, and this has its explanation--not as much in its security policy but—in its domestic policy.

[Correspondent] [Passage omitted] Was the Hungarian domestic political situation, the lengthy government crisis, raised at your talks at all?

[Kovacs] I will very carefully choose my words to avoid that opposition parties raise the question of intervention in parliament. Naturally, it was raised, not at the talks, but rather in conversations after the talks. For example, when I was in Washington on Friday [27 September], and it was clear that the crises had ended, my U.S. negotiating partners expressed their satisfaction over the fact that political stability was preserved in Hungary, because this is very important from the aspect of the entire region. They reacted to this development in a positive way.

[Correspondent] Thank you for the interview.

Country Ready for Duties as Full NATO Member

LD2909121795 Budapest Kossuth Radio Network in Hungarian 0600 GMT 29 Sep 95

[FBIS Translated Text] Hungary is ready to undertake the duties arising from full NATO membership. This was said by Ambassador Andras Simonyi [head of the Hungarian-Atlantic coordination office in Brussels] following a briefing in Brussels on the plans to expand NATO. The ambassador said that the Hungarian Government has not taken an official stance yet on what guarantees Hungary will give concerning collective security.

Ambassador Assesses Document on NATO Expansion

AU3009182495 Budapest MAGYAR NEMZET in Hungarian 29 Sep 95 pp 1, 3

[Correspondent's report on interview with Ambassador to NATO Andras Simonyi; place and date of interview not given: "Document on NATO Expansion—The Next Two Years Will Be Decisive for Hungary's NATO Membership"]

[FBIS Translated Text] The ambassadors of 26 Partnership for Peace countries officially received the NATO study on the principles of NATO expansion from Secretary General Willy Claes in Brussels on 28 September. MAGYAR NEMZET asked Hungary's Ambassador to NATO Andras Simonyi for his views on Hungary's process of joining NATO in view of this 30-page document.

The NATO document is a firm sign that preparations for the NATO expansion continue at high gear, Andras Simonyi told us. He added that, although the countries in question were informed on many details in the past, too, we now see this document in its totality, a document that sums up the expectations from and obligations of the future members, as well as the ways this organization has to prepare for expansion.

It is not surprising that the document does not deal with the question of what countries can become NATO members and when. Andras Simonyi, who has always been optimistic regarding the chances of NATO expansion, told us that this document proves that Hungary is advancing on the correct road to gain membership. The document in question confirms the correctness of our steps toward this end, but it also shows that we have a lot to do before gaining membership. It transpires both from Willy Claes's 28 September news conference and from this document that, although they do not have a declared advantage, the countries slated for EU membership can hope for NATO membership more than the others. This justifies the Hungarian foreign policy efforts that do not choose between the two western integration organizations, but realize the firm connection between the NATO and EU membership, Andras Simonyi pointed out.

In a rather long passage, the document deals with the need for special partnership relations between NATO and Russia. Andras Simonyi said this in answering the question whether the document takes into consideration the Russian sensitivity and reservations regarding the expansion. For example, the document does not call it a precondition for membership that the country applying for membership should agree with the deployment of foreign troops on its territory. The same applies in the case of nuclear weapons: the new members do not necessarily have to accept the deployment of NATO nuclear missiles in exchange for membership. Negotiations will commence within two weeks on such details between the applying countries and NATO officials, because they will have to take into consideration the en-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

vironment, possibilities, and political situation of individual countries, Andras Simonyi pointed out. He said that, in his view, it is clear that there will not be two different memberships; every country will have to share equally the rights and the obligations. We must learn NATO's opinions more thoroughly, for example that the document does not regard "participation in the integrated military organization an automatic requirement" for those who apply for membership. Prior to this, it is useless to take a position on this issue, although Andras Simonyi stressed that Hungary has never made it doubtful that it wants to become a totally integrated member of the organization both politically and militarily.

According to the document, the countries aspiring for NATO membership must reach a certain level of military cooperation capability with NATO. Andras Simonyi thinks that we are facing very tough work, because NATO will very firmly determine the minimum level of such cooperation capability. The document does not deal with this issue in detail, but it indicates that the organization does not expect individual countries to be fully adequate from every point of view and their armies to adjust perfectly to NATO, because many countries would not be able to fulfill such requirements for a long time.

Aware of the text of the aforementioned document, Andras Simonyi, who did not want to engage in predictions on the possible timetable of expansion, said in conclusion that, in his view, the coming two years will be decisive for the issue of NATO expansion.

Editorial Asks For Stronger Commitment From West

AU3009182995 Budapest MAGYAR NEMZET in Hungarian 29 Sep 95 p 6

[Editorial by Gabor Lambert: "The Half-Empty Document"]

[FBIS Translated Text] We now even have an official paper on the fact that we will not become a member of NATO in the near future—at least not in 1996-97—although Gyula Horn still saw a possibility for this in the summer. It is true that one should strike while the iron is hot but the (Atlantic) enthusiasm for expansion cooled off some time ago—especially from the United States, for, quite some time, all we have been able to hear is that East European expansion would involve unnecessary complications and NATO would not even be able to offer real security guarantees for the former members of the Warsaw Pact.

As has already been widely aired, the document, drawn up in Brussels and handed over also to Hungary on 28 September, continues to float the possibility of expansion. This can be interpreted either as a compromise between the forces wishing to reap the fruits of victory in the Cold War and those who wish to appease Moscow, or as a conscious policy to curb Russian nationalism in the months preceding their parliamentary and presidential elections.

The only thing we cannot claim is that the interests of the affected sides were particularly taken into consideration. What seems—according to the first reactions—to be too much for Moscow even in this form, is too little for Central Europe. The futile debate on whether we can first become a member of the EU or NATO has been going on for years in Hungary. However, the decision makers of the organizations in question reacted to all this by trying to keep the interest awake with the least amount of promises or concrete obligations.

However, after a while, it will be increasingly difficult to make the public understand that this is the tactic of small steps, rather than a series of rejections. As long as the Western organizations of integration do not take on irreversible commitments to share in the fate of Central Europe—similarly to the southern European countries which had struggled with just as big problems before their membership—the exaltation of the cooperation in the Partnership for Peace program will also remain a dead letter. Until then, the voices will be strengthening those who believe that the document which has now been handed over is a half empty, rather than a half full piece of paper.

Goncz Welcomes Settlement of Coalition Crisis

LD2909185895 Budapest Kossuth Radio Network in Hungarian 1600 GMT 29 Sep 95

[FBIS Translated Text] The president of the republic has learned with satisfaction that the coalition parties decided to continue joint work. Goncz has also said that it is reassuring that no political crisis evolved in the country despite the disagreement between the HSP [Hungarian Socialist Party] and the SZDSZ [Alliance of Free Democrats], the steady lack of agreement, and the lengthy debate which was closed late.

The president believes that conditions exist again in order for the government and parliament to deal with important political and economic tasks that are crucial for the future.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Holbrooke Begins Another Round of Talks

AU2909151595 Paris AFP in English 1345 GMT 29 Sep 95

[By Adrian Brown]

[FBIS Transcribed Text] Sarajevo, 29 Sept (AFP)—US troubleshooter Richard Holbrooke returned to Sarajevo Friday for another round of shuttle diplomacy aimed at getting a ceasefire in Bosnia as clashes between government forces and the Bosnian Serbs continued.

Arriving at the presidency for talks with Bosnian officials the US assistant secretary of state said that a ceasefire was still a long way off and divisions over territory remained "very wide."

He said that the Serbs were a long way from accepting the conditions put by the Bosnians for a ceasefire adding, "We haven't made any progress on a ceasefire yet."

Holbrooke predicted his new round of diplomatic contacts between Bosnians, Croats and Serbs would be as tough as the previous ones. Holbrooke began the day with a 15 minute one-to-one meeting with Bosnian President Alija Izetbegovic. They were later joined by Prime Minister Haris Silajdzic and Hasan Muratovic who handles relations with the United Nations.

As the meeting was underway Bosnian Serb radio reported heavy fighting between government troops and their forces in Konjic 40 kilometers (25 miles) south west of Sarajevo and in the region of Mostar, a town further to the south.

UN officials could not confirm the fighting on Friday but said that some 40 artillery detonations were heard in the area of Konjic on Thursday. "This was assessed as a Bosnian government army attempt to remove the threat of Bosnian Serb heavy weapons to Konjic. There are no reports of ground offensives," Myriam Sochacki, a UN spokeswoman, said.

Three people were killed in Bosnian Serb shelling attacks on Konjic on Thursday, local Bosnian radio reported.

In the north of the country, near Banja Luka, heavy fighting was reported to be in progress. The Bosnian Serb military press centre there said Croat and Moslem troops were tryng to break through defence lines around Bosanski Novi but had failed to do so.

The Bosnian government has set a series of conditions before signing up to a ceasefire, either countrywide or for the capital Sarajevo. Izetbegovic has demanded the restoration of gas, water and electricity supplies for Sarajevo, free access out of the city for civilians and a road link to the isolated Gorazde enclave in eastern Bosnia.

Though the government and Serb sides are cooperating at a local level to restore utilities, the piping of gas into the city is being held up by Russian objections to lifting a sanction on pumping it through Serbia.

The Russians are owed 100 million dollars for gas supplied over the last two years. Much of it has been used in Serbia on its way to Sarajevo, which has received very little.

Permission is needed to pump gas through Serbia as the country is under UN sanctions for the role it has played in supporting the Bosnian Serbs' war effort. A UN official said "diplomatic pressure" was being applied in Moscow to get Russian agreement.

Plans are afoot however, to run the first Bosnian civilian buses travelling under UN escort through Serb held areas ringing the city. Presently, civilians must rely on a crowded and dangerous mountain road south of the capital.

Sochacki said the "modalities" of the arrangement were being worked out and any attack on the bus "would be considered an attack on the United Nations."

However the Bosnian demand for road access to Gorazde is likely to be a sticking point. Bosnian Serb army commanders have blocked many aid convoys to the estimated 60,000 people in Gorazde though some have got through.

But Bosnian foreign office spokesman Mirza Hajric said: "We are not asking for anything impossible. We just want to have humanitarian aid into Gorazde, we don't want a corridor."

Election, Cease-Fire Discussed

AU2909191995 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 29 Sep 95

[Statement by Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, following his talks with U.S. Deputy Secretary of State Richard Holbrooke in Sarajevo on 29 September—recorded]

[FBIS Translated Text] I can only add to what Mr. Holbrooke has said, that we also discussed the implementation force and its role in Bosnia-Herzegovina. We discussed the issue of future elections and the conditions for a potential cease-fire, among which we stressed the opening of the road to Gorazde, the demilitarization of the Banja Luka region, and the lifting of the Sarajevo blockade.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

This is what I would add to what Mr. Holbrooke said, with the remark that the talks are not over yet. They will resume at 1030 [0930 GMT] tomorrow and will probably go on for a few hours. Mr. Holbrooke will then travel to Belgrade, then Zagreb, and he is supposed to return to Sarajevo after that to resume our talks.

This is all I can tell you for now.

Talks Continue on 30 Sep

LD3009153195 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 30 Sep 95

[FBIS Translated Text] The Izetbegovic-Holbrooke meeting in Sarajevo is at the center of attention today. After the talks, Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, and U.S. diplomat Richard Holbrooke made the following statements:

[Begin Holbrooke recording in English fading into superimposed Serbo-Croatian translation] We don't have very much for you. We are continuing our talks. We are leaving for Belgrade now for talks with President Milosevic, most probably this afternoon or this evening. We will meet Mr. Tudjman and Akashi tomorrow. We will return to Sarajevo on Monday to continue our discussion about the issues we discussed yesterday evening: first, about the total implementation [of the plan for Sarajevo]; second, about possibiilities of total cease-fire—and I have nothing special to tell you on the subject, we will discuss it with President Milosevic; and third, about the situation in general.

We spent a great deal of time discussing the federation, which is very important.

As for opening the road toward Kiseljak, a U.S. embassy vehicle drove along this road this morning for the first time. The journey was not obstructed, with one exception. There was a Serb checkpoint on the road which is neither in the unilateral agreement with the Serbs of 14 September nor in the verbal agreement of 16 September in Belgrade. The checkpoint did not cause us any problems, but it was there nonetheless. The French soldiers crossed over the barricade and told the Serbs to lift it and stop obstructing the vehicle. The U.S. vehicle had diplomatic plates and the Serbs let it through. In any case, this is a violation of 14 September on the unobstructed use of the road and I will expain it to the Serbs when I get to Belgrade.

On the other hand, we are pleased that the road can now be used, but not on these terms, which are unacceptable. That's all I have to say. [end recording]

[Begin Izetbegovic recording] I would add to Mr. Holbrooke's remarks that we talked in more detail about the conditions for a cease-fire. We talked about the opening of three roads to Gorazde, which Mr. Holbrooke will convey to President Milosevic.

We also talked in a little more detail about the implementation of the Federation, one of the sponsors of which, as is known, is the United States, and I believe that we reached agreement on certain things in this respect, relating to the further progress of the process of setting up cantons. We looked at the problem of the integration of functions but we did not reach any conclusions on this occasion, and we established the setting up of a joint police force, that is a federal police force, and the eventual setting up of a joint headquarters which would include commanders of the Croatian Defense Council [HVO] and of the Army of Bosnia-Herzegovina.

We conducted a thorough examination of the issue of opening the road via Kiseljak, and here I am grateful to Mr. Holbrooke for his very correct and firm position on this road. [end recording]

Spokesman Views Holbrooke's Belgrade Visit

AU0210101195 Paris AFP in English 0951 GMT 2 Oct 95

[by Adrian Brown]

[FBIS Transcribed Text] Sarajevo, Oct 2 (AFP)—U.S. peace envoy Richard Holbrooke was due back in Sarajevo Monday for more talks with Bosnian leaders after visiting Belgrade and Zagreb in his quest to secure a countrywide cease-fire on which he said the warring sides remained far apart.

Government officials here said they were expecting Holbrooke to bring an answer from Serbia's President Slobodan Milosevic to conditions set by Sarajevo for signing a cease-fire.

"We have had no contact with Holbrooke since he left Sarajevo but we will be very interested to see what he is bringing from Belgrade. If he comes with a yes, we can discuss the details but if it is no we can expect fighting to restart," Foreign Office Spokesman Mirza Harjic, said.

Clashes between the Bosnian Serbs and government forces are underway in the north west of the country where the Serbs are taking back territoiry lost to a Bosnian army offensive earlier this month.

Gains have brought the Serbs within range of Bosanska Krupa, a key town captured two weeks ago which came under artillery attack Sunday according to UN officials.

Holbrooke began this latest round of shuttle diplomacy in the Bosnian capital Friday which was followed up with visits to Milosevic in Belgrade on Saturday

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and Croatia's President Franjo Tudjman in Zagreb on Sunday.

Sarajevo has refused to sign a cease-fire until the siege of Sarajevo is fully lifted, until a road is opened to the isolated Gorazde enclave in eastern Bosnia and until the Serb stronghold of Banja Luka in the north is "demilitarised"—an euphemism for surrender.

Government troops claim to be within 20 kilometers (12.5 miles) of Banja Luka at one point and say they will press ahead with an attack to capture the town if the Bosnian Serb military does not stand down in favour of civilian rule.

"Milosevic has to decide if he wants to have 200,000 refugees heading for Belgrade. That's something we want to avoid and that's why we want the Bosnian Serb military to go. If there is no cease-fire, we will continue and they will continue. It's a question of whether Milosevic can deliver. He is heavily militarily involved in the current fighting sending new rocket systems and troops to the frontlines. If he carries on doing this how can we talk about Milosevic the peacemaker," Harjic said.

Earlier coordinated offensives in western and northern Bosnia by government and allied Croat forces swept tens of thousands of Serb refugees into the Banja Luka region. Progress was rapid, largely due to the assistance of Croat heavy weapons. These have now been stood down under orders from Zagreb and a repeat of the spectacular gains seems unlikely, military analysts said.

Government accusations of Serbia's involvement in the fighting have not been independently confirmed. Paramilitary troops from Serbia, principally those commanded by "Arkan" a Serb warlord close to the Belgrade regime, have been seen in northern Bosnia. Rocket attacks on a number of government have also been carried out but whether this constitues evidence of fresh weapons supplies cannot be confirmed.

Last year, Milosevic gave an undertaking to end military supplies to the Bosnian Serbs and allowed the presence of international monitors on Serbia's border with Bosnia in return for a limited lifting of sanctions.

After his Zagreb trip, a day after several hours of talks with Milosevic in Belgrade, Holbrooke warned: "The two sides are still very far apart on what the conditions and circumstances would be required for a cease-fire, but obviously the United States thinks the time has come for the fighting to stop."

Late on Sunday Holbrooke also visited the Bulgarian capital Sofia for talks with Bulgarian leaders on the fledgling peace process in Bosnia-Herzegovina and Bulgaria's role in future reconstruction in the region.

"In the future reconstruction of the region, Bulgaria has an important role to play and important benefits to gain from peace in the area," he told journalists. "Bulgaria will be a beneficiary of peace."

Holbrooke who will brief Bulgarian leaders on the peace talks and ask for their advice said Bulgaria was "currently making significant sacrifice" as it was helping enforce UN-imposed sanctions against rump Serb dominated Yugoslavia.

Holbrooke Informs Bosnians About Milosevic Talks

LD0110193195 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 1 Oct 95

[FBIS Translated Text] According to a statement issued by the office of Bosnian Foreign Minister Muhamed Sacirbegovic, U.S. Assistant Secretary of State Richard Holbrooke today confirmed during his talks with Minister Sacirbegovic that he had been told in Belgrade to ignore the messages and letters sent on 29 September by Momcilo Krajisnik to Antoine Pedauye, the head of the UN mission in Bosnia-Herzegovina.

The American diplomat informed Sacirbegovic in Zagreb today about other details of the talks he had held with Serbian President Milosevic, mostly about conditions for a cease-fire. Minister Sacirbegovic today also met Croatian Foreign Minister Mate Granic. The two ministers discussed possible political and military developments.

Izetbegovic Comments on Latest Peace Talks

LD0110214895 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 1 Oct 95

[FBIS Translated Text] [First unidentified correspondent] Alija Izetbegovic, the president of the Bosnia-Herzegovina presidency gave an interview to the first issue of the recently launched daily DNEVNI AVAZ [DAILY VOICE]. He spoke about his views and possible development of the current situation in our country. The BH-press [news agency] carried the whole interview. We selected several excerpts for our program.

The peace process is in full swing. Further progress is expected to be made. Can we now expect the territorial division to be more favorable for the Federation of Bosnia-Herzegovina? Have conditions for this been created? This was the first question, to which President Izetbegovic answered:

[Second unidentified correspondent] At the moment, and in the framework of the present peace initiative

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

we are bound by the parameter of 51 to 49 [percent of territory]. A more favorable ratio would be possible under two conditions: First, if the current initiative fails, but through their fault not ours; and second, if our army subsequently keeps the upper hand and continues to liberate more territory. This second condition will not be easy because we will most probably—just as over the past three years—wage war on our own, since it seems that the Croats will not continue to fight. This is not certain, and is depends on solutions to the issue of eastern Slavonia and western Srijem. As you can see, there are many conditions and unknown elements.

[First correspondent] The peace plan provides for the return of people to their homes or a fair compensation. If more people opt for compensation, who will pay them [words indistinct]?

[Second correspondent] Representatives of the Serb entity will be duty-bound to pay the compensation to the citizens who left their property on their territory. Of course, the obligation, or in other words debt, will need to be estimated first. Debts are notoriously difficult to be claimed, especially by (weaker victims). Some debts will be traded off. Some international body, envisaged by the Geneva agreement, will mediate in all this. These are the principles, and details and procedures will be specified later.

[First correspondent] Some OIC countries have decided not to observe the arms embargo on our country. The war goes on and we need arms. When could we expect the decision from Kuala Lumpur to be implemented?

[Second correspondent] As early as 6 October, senior officials from Malaysia, Iran, Pakistan, Turkey, and some other Muslim countries will meet in Istanbul in order to discuss the implementation of the decisions from Kuala Lumpur. A high-powered delegation from our country will attend the meeting. Things are going well.

[First correspondent] The admission of Bosnia-Herzegovina to the Partnership for Peace, or rather NATO, has been requested timidly. Will Bosnia-Herzegovina one day become a member of that military alliance?

[Second correspondent] To tell the truth we are not pushing the issue. We are a country that is between the East and the West. We are a rare country, which can count among its friends both America and Iran, and which has the support of both the Arab and Jewish world. I think this is a huge achievement of our policy.

[First correspondent] One of our conditions for a cease-fire is an end to the military rule in Banja Luka, the return of civilian authorities. This demand is rather ill-defined, especially since a police system headed by civilians can be even more repressive. What do we really want to see happen in Banja Luka?

[Second correspondent] In a word, we want to see a change. Even if initially everything remained the same, a change would usher in a long-term process. Police in Banja Luka have an equally bad, if not worse reputation than the Army, but the departure of Karadzic's paramilitary would allow civilians to have more influence. We have heard that some of the local civilians are reasonable people. In totalitarian regimes, the replacement even of only one person has always alleviated the situation and brought about an improvement.

[First correspondent] At the moment, under the current talks, are parts of Podrinje [area along the river Drina], primarily the area of Srebrenica and Zepa, definitely lost to us?

[Second correspondent] The solution included in the American initiative, that is, the one being currently discussed, have a bad and a good side. The bad side is that some territories have been lost, and the good side that none of these territories has been lost definitely. The struggle for these territories continues, but not by military means. It will be a long struggle. At this stage of the process we are trying to ensure legal conditions for this. I do not think that we can do any more at the moment without putting everything at risk. The only exception is the situation I already spoke about at the beginning of this interview, in response to your first question.

[First correspondent] Would not the severing of the Posavina corridor [in northern Bosnia] bring an end to the war closer and deal a final blow to the aggressor? Can we expect such an operation soon, launched together with the Croatian forces?

[Second correspondent] Opinions on this issue vary. Some believe that we should try to do this, and that it would bring an end to the war. Others, some very responsible people and, I believe, well-informed people, believe that this would cause Serbia's direst involvement in the war. Serbia is involved now already, but in an indirect way. A direct involvement would mean that Serbia would openly send a dozen divisions to help Mladic. They believe that Milosevic would have no choice. The war would be prolonged, but on a much more serious scale. The last two big wars—the First World War and the Second World War—showed that war is a process that escapes control. I think that at the moment Croatia is not ready to take part in severing the Posavina corridor, but it is ready to change its stance if the negotiations on its eastern territories—the occupied

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

parts of Slavonia and Srijem—fail. The situation would in that event be considerably different.

[First correspondent] Bosnia-Herzegovina as a state will have a parliament, a presidency, and a government. How will these institutions be formed?

[Second correspondent] Through elections in both entities. I loath these terms [entities], I do not know who came up with them.

Direct elections for the parliament and the presidency would be held under the control of international observers. The elections will be held when the Organization for Security and Cooperation in Europe commission establishes that political and social conditions for free and democratic elections are ripe. The republic's institutions will exist until new institutions are established in this way. The parliament, the presidency, and the government will continue performing their tasks, Alija Izetbegovic, the president of the Bosnia-Herzegovina Presidency said, among other things in the interview to DNEVNI AVAZ.

Silajdzic Blames UN for Continuing Blockade

AU2909200995 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 29 Sep 95

[Report by unidentified studio announcer including statement by Bosnia-Herzegovina Prime Minister Haris Silajdzic in Sarajevo on on 29 September—recorded]

[FBIS Translated Text] The opening of the Sarajevo-Kiseljak road via Ilidza for civilian traffic was announced today at the regular news conference at the Sarajevo UNPROFOR [UN Protection Force] headquarters. It was said at the news conference that the United Nations would not allow the convoys to be stopped, the cargoes searched, and the identity of the passengers checked.

Prime Minister Haris Silajdzic gave us his reaction to this:

[Silajdzic] As you know, the NATO and UN ultimatum is still in force that Sarajevo should be opened to Kiseljak, that no obstacles should be placed on that road, and that it should be open to free traffic.

However this will not happen, at least not tomorrow, since UNPROFOR has offered a very curious solution, that is to use Kasindo Street, which is notorious for having the absolute minimum of safety and logistical conditions for the deblocking of Sarajevo and its links with the rest of the country.

The most normal solution would be to use the Stup flyover, along the tram line, using the good street there, as was done before the war. But all this was probably a way to meet the NATO and UN ultimatum on the opening of Sarajevo, the deblocking of Sarajevo, and at the same time not actually deblocking Sarajevo. This is a very strange arrangement, and—to tell you the truth—I do not know what the point of it is.

In any case, we will be availing ourselves of the presence here of the U.S. delegation, which was making arrangements about this in Belgrade and which had arranged for the opening of the road as we see it. But, unfortunately, the road to Kiseljak will not be opened because UNPROFOR has not implemented the agreement reached in Belgrade.

Sacirbegovic Comments on Future of Sarajevo

LD2909222795 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 29 Sep 95

[FBIS Translated Text] Our Foreign Minister Muhamed Sacirbegovic headed the Bosnia-Herzegovina delegation at the talks with the Contact Group in New York. Envera Selimovic talked to Minister Sacirbegovic. We will broadcast excerpts from her interview.

[Begin recording] [Selimovic] There are many unsolved issues, primarily the territorial division. Mr. Kinkel raised the issues of Sarajevo and the Posavina corridor as possibly the most difficult ones. Were other areas discussed? People are certainly interested in the future of Gorazde. On the other hand, what about the protection of the outer borders? You said something about the army which will have to respect the state's sovereignty and integrity.

[Sacirbegovic] Speaking about Sarajevo, Gorazde and Brcko—these are difficult issues, but not for us—for the Serb side. After all, we have the support of the EU, America, and all other countries for Sarajevo to remain a united city. Gorazde and Brcko are towns which will be in the federation. I think that no one is interested in creating a new Berlin. This is why it is in our interest and in the interest of the whole international community for Sarajevo to be a united, undivided city, the capital of Bosnia-Herzegovina, and the Federation of Bosnia-Herzegovina. This does not mean that Serb population which is currently in our part of the city, or in the other part of the city, should feel threatened. We will find ways of ensuring everyone's right to stay in the city. This really is our sincere goal.

As for these other issues, especially the constitutional ones, I have asked some countries to suggest constitutional arrangements. Some countries have experience in issues such as multinational states and how some constitutional issues could be solved. Let us not make the problem bigger than it is. Let us not try to satisfy the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

chetniks and war criminals. We must satisfy the concept of multinational state in our country. There are several nations in our state, but war crimes should not be rewarded.

At the end, there has been least discussion about armies, but it could happen that in the end this is the biggest problem. Perhaps this is why it is being avoided. But we should understand that if we are giving hope to politics and reintegration, than the army loses its importance.

When we demanded a political solution for Banja Luka, when we said our army would not attack it, we tried to establish some new political relations, not only in Banja Luka but throughout Bosnia-Herzegovina, which could set a precedent for the future functioning of our state. [end recording]

MBO Calls For Force To Lift Sarajevo Blockade

AU2909162195 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 29 Sep 95

[Report by Dzevad Kucukalic]

[FBIS Translated Excerpt] There were three reasons for today's news conference by the Muslim Bosniak Organization [MBO].

Resad Sarenkapa [MBO Main Committee member] stressed at the outset that the MBO was also in favor of a peace process and the long-awaited end of the war, but this party had never been in favor of peace at any price, only a just peace. This party's commitment to an integral, unitary, internationally recognized Bosnia-Herzegovina and an undivided Sarajevo is well known and the same commitment has also been made clear by 1,200,000 citizens all over the world. Therefore, Crvenkapa said, no one has the right to talk about the division of the city and [word indistinct].

Since French President Jacques Chirac has also voiced his support for a united and completely free Sarajevo, the MBO has sent him a letter stressing that hardly any of all the things promised and announced has been achieved and appealing to him to use his influence to fulfill the promises that he himself has also made in this respect.

On the other hand, the MBO believes that only force of arms can lift the blockade of the capital, since the international mediators have not managed to achieve this aim. [passage omitted]

Bosnian Serb Official Comments on Peace Process

Welcomes New York Agreement

LD2909181695 Belgrade TANJUG Domestic Service in Serbo-Croatian 1732 GMT 29 Sep 95

[FBIS Translated Text] Samac, 29 Sep (TANJUG)—Momcilo Krajisnik, the president of the People's Assembly of the Serb Republic, said today that the New York agreement was a considerable step towards peace, and expressed optimism regarding the resumption of the talks, as well as the Serb side's satisfaction with what has been achieved so far.

Krajisnik told Radio Samac that this success was the outcome of compromises made by all sides in conflict, and stressed the need to meet the minimum vital interests of all three nations, which he sees as a guarantee of peace.

The Serb Republic parliament speaker believes that the initiated process should be concluded, that hostilities should be halted, and what has been outlined in the principles should be approved.

Krajisnik said that by setting new conditions for ending hostilities the Muslim government was trying to gain as much as possible, and added that the Serbs would not undermine the resumption of the negotiating process.

Sees 'Independent States'

AU0110173995 Novi Sad DNEVNIK in Serbo-Croatian 29 Sep 95 p 2

[Report by S. Risovic: "Serb Republic's Statehood Confirmed"]

[FBIS Translated Text] Serb Sarajevo, 29 Sep—The New York document about the bases of the constitutional setup of the future state of Bosnia-Herzegovina that was signed by Milan Milutinovic, minister of foreign affairs of the FRY; Mate Granic, minister of foreign affairs of the Republic of Croatia; and Muhamed Sacirbegovic, minister of foreign affairs of the Muslim Government in Sarajevo, has found—it is a general impression—a fertile ground in the former Bosnia-Herzegovina, but each one of the sides is interpreting the bases of the constitutional setup of Bosnia-Herzegovina in the way that suits it best.

Commenting on the results of the New York ministerial meeting, Momcilo Krajisnik, chairman of the National Assembly of the Serb Republic [RS], said that it involves a step forward toward a concrete peace in the former Bosnia-Herzegovina and that it is now most important to reach an agreement on the permanent cessation of hostilities so as to be able under normal

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

conditions to discuss and agree about some disputable issues.

It is obvious, Momcilo Krajisnik says, that the time has come for the war to end, because the great powers want that. The Geneva meeting and the one in New York have obviously achieved certain, I would say encouraging results. The document on the bases of the constitutional setup of the future state of Bosnia-Herzegovina is in fact affirming the statehood of the RS and the Muslim-Croatian community. It is hard to speak about the details of the document, but it is certainly a good basis for adopting a constitution for this, as we can call it, joint state which is going to consist of—and this is certainly important to point out—two completely independent states: the RS and the Muslim-Croatian Federation.

According to this document, the future state of Bosnia-Herzegovina will have its parliament, its presidency, and its constitutional court. Are these not, however, attributes of a powerful centralized state?

Far from it. On the contrary, not a single decision, be it one by the presidency or the parliament of the union or association of Bosnia-Herzegovina, or whatever it will be called, will be valid and legitimate if it is not ratified by both entities' parliaments. Therefore, the equality of all three peoples is guaranteed and the statehood of the entities confirmed.

Constitutional Issues Remain

LD2909210095 Belgrade SRNA in Serbo-Croatian 1925 GMT 29 Sep 95

[FBIS Translated Text] Samac, 29 September (SRNA)—Momcilo Krajisnik, president of the Serb Republic's People's Assembly, said today that the outcome of the tripartite meetings in Geneva and New York is "an important and necessary step toward restoring peace in former Bosnia-Herzegovina."

The Geneva and New York agreements are the outcome of compromises which were necessary in order to establish a balance of interests at the moment, Krajisnik told Radio Samac. He added that there are grounds for optimism, but that a lot of work remains to be done prior to a definitive solution.

Krajisnik said that the Serb side cannot be fully satisfied with the corrections made in New York to the Geneva document on constitutional principles. He pointed out that the New York text "ushered in through the back door some things which had been off the agenda for a long time."

"The issues were raised again of some kind of joint parliament and government, whose competences—true—have been limited in order to prevent outvoting, but we reiterate that the former Bosnia-Herzegovina can only be a loose union, a result of wishes and interests of both sides," the president of the Serb parliament stressed.

According to Krajisnik, the Serb Republic must preserve its independence in terms of constitution, parliament, government, army, police, education, and currency, while the issue of foreign affairs can be regulated at the level of the union.

"I believe we did not lose anything and, objectively speaking, we should be happy, as we now have a platform on the basis of which the people can decide in future whether they wish to remain in such a union, or want an independent Serb Republic, or want to join Serbia," Krajisnik said.

Stressing that the most important thing now is to reach agreement on a cessation of hostilities, the People's Assembly speaker warned that the peace negotiators will be greatly annoyed in this respect by the threat to peace posed by unrealistic demands constantly made by the Muslims.

"The Muslims are setting conditions for a truce, but in reality they cannot fight for even two days without the Croats and the international community. We want peace as soon as possible, but we have no reason to accept Muslim blackmail," Krajisnik said.

Warns of Renewed Fighting

LD2909202895 Pale Srpska Televizija in Serbo-Croatian 1930 GMT 29 Sep 95

[FBIS Translated Text] The Muslim government's provocation today has confirmed that the Muslims are using all means to undermine the initiated peace process and open a new flashpoint. The government wants to open the corridor for civilian traffic from the Muslim part of Sarajevo via Ilidza to Kiseljak, forcibly and without agreement. In response to that, Momcilo Krajisnik, president of the Serb Republic's People's Assembly, has sent a letter to Antoine Pedauye, head of the civilian sector of UNPROFOR [UN Protection Force]. The letter reads:

In connection with the proposed meeting, it would be very useful if Mr. Silajdzic and Mr. Muratovic [Bosnian minister for relations with the United Nations] attended it, so I would appreciate it if they informed me about a time that would suit them. I will take this opportunity to inform you that, using Muslim media, Mr. Muratovic called on Muslim people to leave Sarajevo toward Kiseljak, or rather, Hadzici, on 30 September, that is, tomorrow.

We do not know whether this is a provocation or the outcome of an agreement we have not been informed

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

about. Whichever it is, we consider his statement to be very dangerous for peace in Sarajevo. We believe that an agreement on the cessation of hostilities throughout Bosnia-Herzegovina should be signed, and this would include issues of free movement.

We welcome every step toward the normalization of the situation in Sarajevo, but we believe that rushed and unilateral actions cannot lead to the normalization of the situation, but can only destroy what has been achieved and thwart what we would like to achieve.

If the Muslim side would like to establish a contact between civilians and their part of the republic, they can use the agreed-upon blue routes: Dobrinja-Butmir and Vogosca-Visoko. We are ready to act in line with the agreements we have signed with the Muslim side, so that no unilateral action is necessary.

We must warn that the opening of Sarajevo could be used as a pretext for the Muslim side to launch an offensive in Sarajevo. If an offensive is launched, we will be forced to use our rights and all means to defend Serb Sarajevo.

We suggest that the agreement on the cessation of hostilities be signed, as agreed earlier, as this would regulate all disputed issues.

This is said in conclusion of Krajisnik's letter to Pedauye.

Urges 'Equal' Republic

LD3009163995 Belgrade SRNA in Serbo-Croatian 1535 GMT 30 Sep 95

[FBIS Translated Text] Sarajevo, 30 Sep (SRNA)—Momcilo Krajisnik, president of the Bosnian Serb Republic's People's Assembly, told Serb radio in Sarajevo today that the Union of Bosnia-Herzegovina can survive only if the Serb Republic and the Muslim-Croat federation are equal; failing this, its disintegration is inevitable.

Commenting on Muslim requests for so-called direct elections, Krajisnik stressed that the Muslims are wrong if they believe that the elections will bring "some new Serbs who will hand over their rights to them, and agree to servitude and being out voted."

"We want to hold elections in the Serb Republic, and we want the representatives—who will advocate the Serb people's policy—to go to a parliament whose competences will be limited to foreign affairs," the Serb Republic Assembly speaker said. [sentence as received]

Krajisnik warned that such a joint parliament would not be able to function, and substantiates this with the following claims:

"Muslims and Croats, who have the right of veto, will have two thirds of the deputies in parliament. This means that no decision proposed by the Serb Republic could be approved in that parliament. We can only dispute their decisions.

"If half the deputies in parliament were from the Serb Republic and half from the federation, there would be no veto."

Stressing that the link between the Serb Republic and the Muslim-Croat federation could be only confederal, Krajisnik stressed that "the Serb Republic can deal with everything that is not at the level of the union and its special links with the Federal Republic of Yugoslavia."

"This is guaranteed by the Washington agreement, which provides for links between the Croat-Muslim federation and Croatia," Krajisnik specified. He said that equality between the Serb Republic and the federation in all spheres was made official by the Geneva document.

Sarajevo: 'The Key'

LD3009211695 Belgrade SRNA in Serbo-Croatian 2001 GMT 30 Sep 95

[FBIS Translated Text] Sarajevo, 30 Sep (SRNA)—Momcilo Krajisnik, president of the Bosnian Serb Republic People's Assembly, said today that peace in former Bosnia-Herzegovina "is closer than ever" because the Muslims and Croats have lost the support of their mentors.

"All previous peace efforts have failed because of the opposition abroad of Muslim and Croat allies. Today, the situation is quite different because America, which used to help the Muslims to obstruct negotiations, has now extended its support to peace efforts," Krajisnik told SRNA.

He said that "there is not a single state that is now opposed to ending the war." He added that "the Muslims and the Croats are just their mentors' proteges" and "cannot have a significant impact on ending the war and the shape of a permanent political solution."

According to Krajisnik, Sarajevo is the key to all keys for the resolution of the crisis in former Bosnia-Herzegovina.

"If we want peace, we must understand that Sarajevo belongs to both sides. The Serbs have realized this," he said.

Krajisnik pointed out that there are four ways to resolve the problem, but that the Serb side prefers the transformation of Sarajevo into twin cities.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"The other proposal suitable for the Serbs is the division of Sarajevo, which would allow the Muslim parts of the city to be linked with the rest of the state," Krajisnik said.

Assessing that the Serbs "will never accept a deal under which the whole of Sarajevo belongs to the Muslims," Krajisnik said in conclusion:

"Sarajevo is the second largest Serb city in the former Yugoslavia. The Serbs have nowhere to go from Sarajevo, and they do not intend to do so because they have fought for Sarajevo and their rights for three-and-a-half years."

Active Russian Role Sought

LD0110142295 Belgrade TANJUG in English 1359 GMT 1 Oct 95

[FBIS Transcribed Text] Belgrade, Oct. 1 (TANJUG)—Bosnian Serb paraliament speaker Momcilo Krajisnik and a Russian delegation on Saturday agreed on the need for Russia to take a more active part in resolving the crisis in former Yugoslavia.

The State Duma delegation was headed by member of the committee for foreign issues Aleksandr Vasilyevish Minzhurenki, said the Bosnian Serb news agency SRNA.

Russia made a big mistake in failing to use its power of veto in the U.N. Security Council to block unilateral actions by the United States, it was heard at the meeting, said SRNA.

Karadzic Confident U.S. Can Resolve Obstacles

AU3009170695 Paris AFP in English 1250 GMT 30 Sep 95

[FBIS Transcribed Text] Banja Luka, Bosnia-Herzegovina, Sept 30 (AFP)—Bosnian Serb leader Radovan Karadzic said on Saturday [30 September] that he "has confidence in the United States" to find a way to overcome what he called the "Moslem sabotage" of the peace process.

"The Moslems are not being candid, but we have to have confidence in the capacity of the U.S. to resolve this problem," Karadzic said in Banja Luka, the largest city in Bosnia under Serb control.

"There are still major political battles looming, but political battles are better than military ones," he added.

On Friday, the foreign minister of rump Yugoslavia, Milan Milutinovic, also described the negotiating postion of the Moslem-dominated Bosnian Government on a ceasefire as a "serious obstacle" to the peace process. U.S. mediator Richard Holbrooke has been in Sarajevo since Friday, but has thus far been unable to broker a ceasefire.

Karadzic Comments on Accomodation of Refugees

LD2909203995 Pale Srpska Televizija in Serbo-Croatian 1930 GMT 29 Sep 95

[FBIS Translated Text] Dr. Radovan Karadzic, president of the Serb Republic, today held talks in Banja Luka with the presidents of the war presidencies of the municipalities of the Krajina region [western parts of Bosnian Serb-held territory]. The talks centered on the humanitarian situation and accommodation of Serb refugees from these parts of the Serb Republic.

Dr. Karadzic said in his opening address that Serbs are today putting their statehood and humaneness to the test by showing how much they care about their own people, regardless of whether they have territory or not. Today we must rationally ascertain our situation—using the language of figures, which speak of concrete difficulties—Dr. Karadzic noted, adding that it would now become definitely clear whether the state is capable of surmounting these problems.

Stressing that Dusan Kozic, the prime minister and president of the refugee accommodation headquarters of the Serb Republic, and Gojko Klickovic are currently in the field, Dr. Karadzic said that the adequate accommodation of refugee children is a considerable problem.

The children must be given shelter from the rain. They should be moved from the halls, corridors, and schools and found more comfortable accommodation, the Serb Republic president said, adding that priority tasks will be carried out after this meeting in order to accommodate the refugees from the western parts of the Serb Republic as best as possible.

A lot has already been done in this respect: following the return of refugees to Sanski Most, Mrkonjic Grad, and Knezevo [formerly Kulen Vakuf], the inhabitants of Novi Grad [Bosanski Novi] are also returning to their homes.

Koljevic: New York Pact Prevents 'Domination'

LD0110151695 Belgrade SRNA in Serbo-Croatian 1331 GMT 1 Oct 95

[FBIS Translated Text] Kragujevac, 1 Sep (SRNA)—Nikola Koljevic, vice president of the [Bosnian] Serb Republic, said today that a big step toward a political solution had been made at the meeting in New York because "the possibility of the majority vote by one nation over the others was eliminated."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The principles approved in New York "provide for mechanisms that make further domination impossible, and it remains to be seen what agreements will be reached later and what the nature of the relationship between the Serb Republic and the Croat-Muslim federation will be," Koljevic said in the Hallmark of Time program of Kragujevac radio.

The BETA news agency reported that Koljevic said the Muslim-Croat side had started slowing down the negotiating process by making contradictory proposals. He added that the American side would continue insisting on a cessation of hostilities and the resumption of peace talks.

The vice president called on Serbs to put a halt to their party disputes "at a time when we are struggling with delicate issues in diplomacy," the agency said.

"If the people in Serbia and Montenegro would really like to help us, they can help us in humanitarian issues since we have many refugees without accommodation and food, rather than with different party interpretations of a positive or a negative outcome of these negotiations," Koljevic said.

Sarajevo Serb Leaders Receive Duma Officials

LD0110154095 Belgrade SRNA in Serbo-Croatian 1450 GMT 1 Oct 95

[FBIS Translated Text] Sarajevo, 1 Oct (SRNA)—The six-member delegation of the Russian State Duma today visited the municipalities of Hadzici and Ilidza in Serb Sarajevo.

The high-powered Russian delegation was received by the presidents of the war presidencies of Hadzici and Ilidza, Ratko Radic and Nedjeljko Prstojevic, and representatives of the Igman and Ilidza brigades of the Bosnian Serb Republic army. They informed the delegation about the consequences of the attacks by NATO air force and the rapid reaction force.

The Russian parliamentarians again confirmed their intention to inform the Russian public about everything they have seen, and expressed their firm determination to continue the parliamentary struggle for a speedy lifting of the sanctions imposed against the whole of the Serb people.

Mladic: Serbs, Muslims Could 'Live Side by Side'

AU0110220895 Paris AFP in English 2152 GMT 1 Oct 95

[FBIS Transcribed Text] Banja Luka, Bosnia-Herzegovina, Oct 1 (AFP)—Bosnian Serb military commander General Ratko Mladic said Sunday [1 October] the Serbs might one day live side by side with the Moslems, even if this prospect was a long way off.

Speaking in the Serb's northwest Bosnian stronghold Banja Luka, he told French reporters that "in the future, conditions will have to be created so that Serbs and Moslems can live side by side."

The two communities could perhaps live together "like the French and Germans," he said.

But he added that, at the moment: "I don't think there's a single Serb man, woman or child ready to live in the same house or street as Moslems."

Elsewhere in the interview, he accused NATO—which last month conducted a series of airstrikes against Serb positions around Bosnia—of "siding with one of the parties in the conflict."

"No Serb soldier ever threatened a member country of NATO which launched air raids against us," he said.

"We have been badly hurt in this war, but perhaps the worst was caused by the (French) Mirages (jets) because they came from a country which we didn't expect to react in such a way."

"These Mirages were piloted by the children of those who, this century, fought against a common enemy for the common goals of peace and freedom."

Mladic blamed the Moslems, but especially the Croats for starting the war in former Yugoslavia. The Croats, he said, were under the orders of "those who control not only this war, but all the other wars and crises."

Most international observers agree that the Serbs fired the first shots in the Bosnian war in 1992 and blame Serbian President Slobodan Milosevic for the start of the Serb-Croat war in 1991.

Mladic Meets Russians, Says Situation 'Favorable'

LD0110205395 Pale Srpska Televizija in Serbo-Croatian 1930 GMT 1 Oct 95

[FBIS Translated Excerpt] The aggressive U.S. peace initiative has shaken Russia's Balkan policy even more vigorously than the European initiative. [passage omitted]

A delegation of the Russian Federation's Armed Forces, headed by Colonel General Vladimir Mihaylovich Zhurbenko, deputy chief of the General Staff, and accompanied by Colonel General Ratko Mladic, the chief of the General Staff of the Bosnian Serb Republic army, has visited several operative units of the Serb army.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The guests managed to gain a first-hand insight into the consequences of the NATO air strikes against military and civilian targets in the Serb Republic, and the organization of the defense of the Serb Republic from the latest aggression.

The Russian guests expressed special interest in the consequences of the aggression by the regular Croatian army and the continuation of the offensive on the Serb Republic by the Muslim-Croat coalition from the former Bosnia-Herzegovina.

After yesterday's meeting in Bijeljina between the Russian military delegation and Dr. Radovan Karadzic, the supreme commander, and Colonel General Ratko Mladic, the commander of the Main Headquarters of the Serb Republic Army, our reporters filed the following report.

[Unidentified correspondent] Following the meeting, Colonel General Ratko Mladic and Colonel General Vladimir Mihaylovich Zhurbenko briefly spoke to the press.

[Begin recording] [Mladic] We have had a meeting with a high-powered military delegation from the Russian Federation. I and Comrade General Zhurbenko today had an exhaustive and lengthy exchange of opinions on many issues pertaining to the further situation in this region and steps toward peace.

[Unidentified correspondent] Has General Zhurbenko made any concrete promises?

[Mladic] We held very constructive talks, but I cannot give you any details.

[Correspondent] General, could you please comment on the current situation on the front?

[Mladic] The situation is becoming increasingly favorable for the Serb Republic and our army.

[Zhurbenko, in Russian with superimposed Serbo-Croatian translation] General Mladic left a very strong impression on me during the meeting. I had often seen him on TV, but this was the first time I met him in person.

As far as the situation in the field is concerned, I have not seen anything yet, I am going there now.

[Correspondent] How much have you been informed about what is happening to the Serbs in the former Bosnia-Herzegovina?

[Zhurbenko] The media have been covering this extensively, but I am yet to see for myself what the real situation is. [end recording]

Russians View Bosnian Peacekeeping Role

AU2909220795 Belgrade TELEGRAF in Serbo-Croatian 27 Sep 95 p 3

['Exclusive' interview with Colonel Igor Kasin, spokesman of the Russian Army's Airborne units, by Dragana Subarevic; place and date not given: "Russia Should Work Independently Worldwide, Including in Bosnia, but I Do Not Wish To Predict What This Will Be Like: Russian Special Troops Versus Americans"]

[FBIS Translated Text] A group of officers from the Russian Airborne units has recently arrived in Bosnia to define the Russian "blue helmets'" future peace activities. Colonel Igor Kashin, head of the Russian Federation's Airborne units press service, gave an exclusive interview to TELEGRAF in which he explains the purpose and aim of deploying special Russian forces in former Yugoslavia.

[Subarevic] According to the latest diplomatic reports, Russian troops should completely replace the UN Protection Force [UNPROFOR] in the Serb Republic. Can you elaborate on the goals of this peace operation, the makeup of the forces, and the number of troops?

[Kashin] At this point, I cannot elaborate on this question on behalf of the Airborne units; I do not have official information regarding the number of Russian units that will be dispatched to Bosnia, nor about their concrete assignments. At this point, we still have no detailed instructions. I do however know, just like you, the possible perspectives of settling the Balkan crisis as announced by the NATO spokesman. We have not received any orders yet.

[Subarevic] What is the concrete aim and task of the Russian Airborne units' officers who are currently around Sarajevo?

[Kashin] A week ago, Major General Nikolai Viktorivic Staskov, deputy commander of the Russian Airborne units, and a group of officers arrived in the special forces' headquarters in Sarajevo and eastern Slavonia on a peacekeeping assignment. The goal of this trip is to assess the situation on the ground to gather specific information for future activity.

[Subarevic] In your opinion, why have members of the Airborne units, rather than some other branch of the Russian Army, been chosen for such sensitive operations?

[Kashin] The point is that the Russian Airborne units have been given the task of carrying out peace operations within UNPROFOR, which is what they have been doing for the past three years. They have been chosen in line with a decision by President Boris Yeltsin and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the Security Council, while the State Duma approved the decision. In this way, our units have been given the honor of representing not only Russian Armed Forces, but Russia as a whole, on the international scene.

[Subarevic] From the practical, military standpoint, how do you see the maintenance of future peace in Bosnia if NATO and the Americans are on one side and Russian troops on the other?

[Kashin] I do not wish to predict anything at this point because this would not contribute to appropriate political solutions.

[Subarevic] Western analysts are assessing that the deployment of Russian troops is not merely a diplomatic move in Russia's return to the Balkans, but an attempt at more significant military presence. Your comment?

[Kashin] I believe that Russia's return to the international scene in general, including Bosnia, is a fact in itself. As a significant international factor, Russia should act independently, but that has nothing to do with the Airborne units' activities. The fact that these units are for the first time part of the UN peace forces is undeniably positive. This gives us international recognition and experience in settling conflicts through peaceful means.

[Subarevic] To what extent is the Russian attempt an expression of Russia's traditional solidarity with the Serb people, and to what extent is it an attempt to prevent U.S. and NATO's dominant position in the central Balkans?

[Kashin] That's a difficult question. The return of General Staskov's commission, which is currently in the former Yugoslavia, and the conclusions it comes to will enable us to assess Serb-Russian relations and, in this respect, our position toward the policy of the United States and the peace forces.

'Sources' on Plan for Russians in NATO's Force

LD2909131195 Belgrade TANJUG in English 1248 GMT 29 Sep 95

[FBIS Transcribed Text] Brussels, Sept. 29 (TANJUG)—While NATO is expected on Friday to pass a document on organizing its force to replace the U.N. personnel in Bosnia, reliable sources in Brussels said a formula had been found for including Russian troops in this force.

As for the Russian troops' participation in the NATO force, the major issue so far seemed to be Moscow's opposing its troops being placed under NATO command.

The NATO sources in Brussels said that NATO force in Bosnia that would include also troops from Muslim countries would be deployed by the end of the year, by the time a peace agreement in Bosnia is due to be signed.

The E.U. headquarters in Brussels is finalizing preparations for a meeting in Luxembourg on Monday when foreign ministers of 15 E.U. member-countries are to endorse a plan on launching a drive for a reconstruction of war-torn economies of the former Yugoslav republics.

E.U. commission working groups have been drawing up the plan for weeks now.

Although the details of the plan have not been made public yet, E.U. ambassadorial sources have confirmed that the initial sum would stand at about four billion dolars and would be invested in the first three years in programs of economic recovery of the former Yugoslav republics.

The same sources said that the plan, also referred to as a mini Marshall plan, should later grow into a global drive whose funds might be increased as many as hundred times by the middle of the next decade.

The implementation of both the plan for the deployment of the NATO force in Bosnia to protect peace there and the E.U. plan for the reconstruction of the war-devastated ecomomies of the former Yugoslav republics are made conditional on the signing of the peace accord.

The high-circulation Brussels daily LE SOIR was cautious about the prospects for peace in Bosnia, quoting a U.N. official as saying that any time there was a chance for ceasefire, Bosnian Muslims are setting more conditions which impede the way to peace.

Commentary Looks at 'Reasons' for Peace Plan

AU0210081195 Sarajevo OSLOBODJENJE (Bosnian) in Serbo-Croatian 23 Sep 95 p 1

[Commentary by Vlastimir Mijovic: "Godfather"]

[FBIS Translated Text] War and peace have lately been fighting in Bosnia more fiercely and with more uncertain outcome than ever before. No one knows which of the two will overcome, as both outcomes are supported by considerable arguments. On the one hand, one thinks aloud about liberating Banja Luka, while, on the other, an extremely short term for signing a general peace agreement must be taken into account. What is involved is the announcement of a Washington meeting in October at which the peace document will be signed by Presidents Izetbegovic, Tudjman, and Milosevic.

This announcement is not utterly unexpected. Even when Holbrooke set off on his peace mission, it was announced that it was expected to end mid-October. Perhaps the only new thing is that Bill Clinton should

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

also officially appear in the role of godfather, although it was justifiably expected that he should appear as the godfather to crown the U.S. mediatory initiative.

The United States is obviously welcome in Bosnia-Herzegovina. If there is anybody capable of proffering any political and military guarantees, it is the United States. After all, it has also achieved a major success—the agreement on creating the Bosnia-Herzegovina Federation. The Federation has still not started to function, and it will probably not do so very soon, at least not to the desired and necessary extent, however, the positive effects of its Washington birth should by no means be depreciated. The agreement on the Federation recommends the Clinton administration as a sponsor of the final peace agreement for the whole of Bosnia-Herzegovina. Washington should even be a guarantor of its realization, which would connect it to our region for a longer period. These connections are said to be political, military, and economic. Tens of thousands of U.S. troops, and tens and even hundreds of thousands of dollars are mentioned, which would secure peace and create an economic renewal. It is believed that Bosnia-Herzegovina can only profit from that. Is it really so? Do we know enough about U.S. intentions to be able to accept them calmly?

Washington will want to expand its really major investment in Bosnia-Herzegovina. People who think that Clinton cares so much about the express peace only because of his disagreements over Bosnia with Congress are wrong. It also does not seem convincing that the United States is investing so much into the Bosnian peace only to confirm and strengthen its prestige as a great power. It simply wants to realize its own, and not somebody else's, political domination over the former Yugoslav territory. These are Washington's key reasons, which are, on the other hand, causing concern in Bosnia-Herzegovina. Because, if the United States wants to extend its influence on the territory of the former Yugoslavia, it has to offer and give something valuable to everybody on that territory, including, among others, Slobodan Milosevic, who is certainly not going to attend the October Washington meeting for peanuts. Apart from U.S. money, he wants Bosnian territories. Washington is offering some, Holbrooke is promising others, and it all should be paid by Bosnia-Herzegovina.

October is not here yet. There is still time to consider the U.S. bill that Alija Izetbegovic should sign on behalf of Bosnia-Herzegovina.

Commentary Lambastes Government 'Propaganda'

LD2909144195 Belgrade SRNA in Serbo-Croatian 0856 GMT 29 Sep 95

[Commentary by Zeljko Grujic]

[FBIS Translated Text] Sarajevo, 29 Sep (SRNA)—Citing "military sources," "a source," "another source," "a source close to another source," "an unnamed source," and so on, the Muslim propaganda machine has for days been harping on about alleged disagreements within the military leadership of the Bosnian Serb Republic, arrests and invitations sent out by Belgrade to Krajina citizens to head for Serbia where—see the absurdity of this—open factories and comfortable flats await them and their families.

Serb people would simply react to such cheap propaganda lies by saying "that is just wishful thinking," spitting, and continuing their work.

So people are not so much amazed by a poorly construed lie and its transparent tendentiousness as by the idiotic belief that by repeating it you can deceive the public. One can conclude on the basis of this that the Muslim media believe that the public are some kind of senile, ugly, old fool; deaf, blind, and illiterate; who is unable to distinguish between a cemetery and a park.

Even when hearing Muslim radio propaganda for the first time one feels a certain sense of compassion for such fruitless and senseless efforts being expended by Izetbegovic's propagandists in order to "build a house the purpose of which has long since been forgotten" to quote the famous Eliot, whom we apologize to for mentioning in this context.

Let us, nevertheless, be pragmatic and say that the lies mentioned above are an astoundingly stupid propaganda attempt to get Krajina residents to move out on their tractors and undertake Carnojevic-like journeys into the unknown, so that the Muslims might "heroically" stroll into a "demilitarized" Banja Luka, which, according to the nebulous ideas and political nonsense of Alija Izetbegovic, is one of the conditions for him placing his "esteemed" signature on a cessation of hostilities agreement.

Who here is, in fact, taken in by Izetbegovic's propaganda? The Serbs certainly are not! Who is it then that Izetbegovic's propagandists are trying so persistently to seduce with their lies if not the Muslim public itself? In this case we must express our deep commiseration to the Muslim public for the way in which their media guardians underestimate them.

No one is surprised by the attitude of some unqualified journalist hacks toward their own public, when the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

attitude of "a fine and smooth-talking gentleman," such as Haris Silajdzic appears on the outside to his followers, is known. Without batting an eyelid, this "prominent gentleman," who has recently lost any sense of political tact, discovers a mass grave near Kljuc and, staring into the virgin soil, counts 500 killed Muslims.

When Silajdzic decided to lie in such a big way, what can people expect of his abortive propaganda efforts in the Muslim media. There is no point in analyzing the purpose of Silajdzic's skillfully honed but transparent lies.

However, after the refutations of the United Nations and international organizations concerned with wartime and humanitarian law, it is simply unbelievable that in the part of Sarajevo under Muslim control there is not a single journalist of some world agency who will confront "sissified" Haris with the dirty lie with which he intended to unleash NATO for another series of bombings against the Serb people.

Finally, one should ask oneself whether Clinton's Administration really needs Silajdzic-caliber lies or those mentioned above, which are fired off at random by Izetbegovic's propaganda infantry so that the U.S. peace initiative might succeed when it is known that a lie, by its very nature, is an expression of human impotence and fear of the inexorable laws of reality and necessity.

The Bosnian Muslims, as Silajdzic and Izetbegovic know very well, are needed by the United States—as are the Palestinians—only as petrodollar bargaining chips with the oil-rich Islamic countries. And no one really any longer knows why the Muslim leaders in Sarajevo lie—even more than they are required to do by the lobbying centers in the West, thus lowering the public dignity of their own people to a miserable and undignified extent.

Was Franjo Tudjman not correct when he spoke of the Muslims as "Croats who do not know they are Croats," and of them as a people that have been entrusted to Croatia to introduce them to civilization.

Serb Party Criticizes Lack of Power, Rights

LD0110155395 Belgrade SRNA in Serbo-Croatian 1331 GMT 1 Oct 95

[FBIS Translated Excerpt] Kragujevac, 1 Oct (SRNA)—Rajko Zivkovic, vice chairman of the Serb Civic Council [Srpsko Gradjansko Vijece, SGV] in Sarajevo, said today that his party "is not satisfied with the Serb participation in authorities in Bosnia-Herzegovina," the BETA news agency reported.

"Under the Bosnian Constitution, Serbs are not a constituent nation. On 27 March last year we put forward an amendment to the constitution in which we requested that Item one, which says that only Bosniaks (Muslims) and the Croats are constituent nations, should be changed," Zivkovic said in the Hallmark of Time program on Kragujevac radio.

He added that the federation's assembly discussed the amendment, but neither accepted nor rejected it. It left it on "a waiting list." [passage omitted: Croats would probably vote against the proposal]

According to Zivkovic, the Serb Civic Council advocates the immediate establishing of peace, Bosnia as a unitary state of three nations, respect of human rights, democratic procedures in the parliament, and punishment of all war criminals, regardless of which nation they belong to.

"The people who support the civic concept of Bosnia still believe that a unitary state is not a utopia and that life together should be promoted again," he said.

Zivkovic added that a high level of autonomy for two entities would lead to a division of Bosnia and that "a minimum of joint functions at the level of the state of Bosnia-Herzegovina should be ensured."

"I must say that the Serbs are the biggest losers in the war because they will have to bear the burden of what 'Karadzic's Serbs' have done in Bosnia-Herzegovina. Someone will have to take the responsibility for the consequences of everything that has happened," he said.

Zivkovic said that there are different estimates of how many Serbs are living in Sarajevo. Some estimates say there are 50,000 of them, but the Serb charity Dobrotvor has 33,000 Serbs registered. [passage omitted]

Serb Officer Assesses Situation in Banja Luka

AU2909191295 Belgrade NASA BORBA in Serbo-Croatian 26 Sep 95 p 9

[Interview with Colonel Ratko Rokvic, chief of the Bosnian Serb army's medical corps, by an unidentified correspondent; place and date not given: "Any Bargain Over Territories Is Out of Question"]

[FBIS Translated Text] "The situation in beleaguered Banja Luka is critical. Our enemy, the Croatian and the Muslim [Bosnia-Herzegovina Army] forces, has been assigned by its commands to take as much Serb land as possible, particularly towns around Banja Luka, in order to block it, and also to sow fear among the people by their propaganda to make them leave Banja Luka," Colonel Ratko Rokvic, chief of the medical corps with the general staff of the army of the Serb Republic, says at the beginning of his interview with NASA BORBA.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Rokvic] Our defense lines are solid and reinforced. There has been fierce hand-to-hand fighting and the number of wounded is increasing day by day. We are running out of medical supplies. We had a certain reserve that is in army jargon called "sacred," but we have had to begin using it. If we use it all up, we shall not be able to care for the wounded. The situation is getting even more complicated because the enemy is shelling the hinterland, so we have a great number of wounded civilians.

We Have Medicine but No Blood Reserves

[NASA BORBA] How large are the enemy forces and are there many wounded on the Serb side?

[Rokvic] All their available men and equipment are being used. There are regular forces of the Croatian Army, as well as the forces of the Muslim-Croatian [Bosnia-Herzegovina] Federation. All the weapons that NATO has at its disposal are being tried out on the Serb people.

[NASA BORBA] Have there been any wounds caused by weapons prohibited by international conventions?

[Rokvic] There have been all sorts of things. From soft-nosed bullets to chemical weapons. They are even throwing in rats infected with tularemia, contagious disease carried by rodents, which we never had in this territory before the war. In the entire former Yugoslavia there was just one area where the disease had been reported.

[NASA BORBA] What do you most need to be able to take care of the wounded?

[Rokvic] First of all, we need pain killers, antibiotics, bandages, serums and vaccines, particularly those against tetanus, and a wide range of antibiotics in ampoules. We need supplies of the blood-restoring fluid [as published] and particularly blood. Now in the Banja Luka and Prijedor hospitals alone around 150 blood transfusions are needed on a daily basis.

[NASA BORBA] What is the most common type of wound that you come across?

[Rokvic] Those caused by explosions. They cause very severe chest, stomach, extremities, and head injuries. They are caused by explosions of large-caliber grenades, which cause many other wounds as well, making the demand for blood even greater.

[NASA BORBA] Are there enough doctors?

[Rokvic] For the time being we have a sufficient number of doctors, but our team of surgeons is rather exhausted and weary. In our hospitals only the teams for urgent surgery are functioning, which is necessary to keep a wounded patient alive. Those doctors are working almost on the very front, three or four kilometers away from the battle lines. The doctors work 15 days in the field and 15 days in the hospital.

Our Task Is To Resist

[NASA BORBA] What about the people's psychological condition? It is said that the enemy is spreading massive propaganda.

[Rokvic] One of its strongest weapons is propaganda and the psychology of the masses is difficult to change. Fear and thoughts of leaving their cities or villages have been present among the people here since the events in Krajina and that trend is now coming to us over the Drvar Krajina as well. However, our activists, from unit commands and social-political structures, are making a great effort to provide people with information. I think that the tendency to flee is diminishing and people are beginning to believe our commanders and officials on the ground.

[NASA BORBA] Have fear and defeatism been present among the people and the army respectively to that extent since the beginning?

[Rokvic] When shells, particularly those of the largest caliber, start raining down on us from all sides, fear must appear. That has all been well prepared. Our task is to resist.

[NASA BORBA] In Belgrade, there have been many stories about General Mladic's illness, or rather, as is officially said, kidney problems.

[Rokvic] Rumors are rumors. They are an integral part of any war. At the moment, Gen. Mladic is at his place of work.

[NASA BORBA] Whether or not it is a rumor, the story is circulating that the territories recently captured by the Croatian-Muslim forces were surrendered, abandoned, and that it is all about a deal being struck....

[Rokvic] I am not a politician, but as far as I know, I am sure there has not been any bargain or surrender of one's own territories. Those are just rumors to drive people into flight. It is precisely for that reason that they were released in the first place. That is a special warfare, which has been made possible for the Croatian-Muslim forces by their friends abroad by destroying our stationary radio relays and transmitters, through which we inform our public.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Serbs Deny Missile, Artillery Attacks on Croatia

AU2809185095 Banja Luka Srpski Radio Network in Serbo-Croatian 1800 GMT 27 Sep 95

[FBIS Translated Text] With regard to the latest accusations of the Croatian Ministry of Defense on alleged artillery and missile activity on the part of the army of the Serb Republic [Serb-held entity in Bosnia-Herzegovina] aimed at towns in Croatia, and threats to the Serb army that a stormy Croatian response will follow, concerning which an official announcement was issued yesterday, the information service of the general staff of the army of the Serb Republic has also issued an announcement.

The announcement emphasizes that the issue is another lie, whose aim is easily recognizable. This is the way the Croatian side wishes to justify its army's aggression against the Serb Republic before the world and to prepare the ground, with the use of media, for more terrorist incursions, since, during the fighting with the army of the Serb Republic, they have suffered great losses and did not realize their plans.

We would like to point out to the public that the Zagreb regime will probably launch more such lies in the following days in order to justify the many casualties before its own public, mobilize its people into more armed actions against the Serb Republic, and receive adequate support from international circles for its policy of aggression.

Naturally, Croatia also wishes to frighten people in the Serb Republic, but that will not happen, says the announcement of the information service of the general staff of the army of the Serb Republic, and adds that the announcement of stormy responses to events that did not take place is merely a threat. The army of the Serb Republic knows how and has the power to deal with Tudjman's unruly ustasha [World War II Croatian fascists] crowds.

Mostar Administrator on Postwar Situation

AU2909150595 Hamburg DIE ZEIT in German 29 Sep 95 p 6

[Interview with Hans Koschnick, EU administrator of Mostar, by Christoph Bertram and Michael Thumann; place and date not given: "Peace May Become Expensive"]

[FBIS Translated Text] [DIE ZEIT] Mr. Koschnick, are we at the beginning of the end of this war?

[Koschnick] I think we are at the beginning of serious negotiations which will lead to a lengthy cease-fire. Whether all three sides will have enough common sense at the end of such a cease-fire that it really becomes a peace treaty, I do not know, I only hope so.

[DIE ZEIT] In the first phase of the war, the Serbs had "cleansed" eastern Bosnia. Now Muslims and Croats have conquered cities in western Bosnia, which were 90 percent Serb. Do we have to recognize these military facts?

[Koschnick] I am afraid we will have to recognize them. Our U.S. friends have really started moving something, and not only in a negative way. By the cautious way in which they are accompanying the Croats' campaign in the Krajina they are showing that they are considering a peace settlement more important than human rights. Human rights will regrettably not be the United States' problem. They want to have quiet for the negotiations, they want to make sure that the situation remain quiet.

[DIE ZEIT] A prerequisite for this probably is a cease-fire and a force of approximately 50,000 NATO troops to implement a possible peace treaty.

[Koschnick] I do not want to confirm the figures. But the country must be militarily secured, so that there is peace. It is correct to deploy NATO troops there, provided the Russians send units, too, to support their Orthodox brothers just as the others protect the Muslims and Catholics. That would make sense.

[DIE ZEIT] Do you think the UNPROFOR [UN Protection Force] troops should be withdrawn?

[Koschnick] I think that forces should be deployed where peace must be created, and they should also be allowed to act militarily if necessary. UNPROFOR could never act that way. It was a fiction.

[DIE ZEIT] Does a future peace force in the Balkans also include German soldiers?

[Koschnick] If NATO is really called upon to act as a whole, this can hardly be avoided. But this problem arises not only for the Germans. It also arises for the Italians. However, this also holds true for the Turks, of which even the Serbs now say that they "do not have any problems with them."

[DIE ZEIT] Were your experiences with German police in Mostar negative?

[Koschnick] On the contrary. But you should know that German police had been requested by Croats and Bosnians, not by the Serbs. No, I even think that we Germans would do no harm. The question only is whether it would be very wise to have units in the Balkans that evoke bad memories. When you talk with the Serbian population you will see that there is deep-seated resentment.

[DIE ZEIT] Would it not be possible to deploy Germans in areas where they do not meet Serbs? We will proba-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

bly have to prepare for many Muslim-Croat conflicts at the end of this war.

[Koschnick] They would even be very welcome in such cases, because both sides are claiming they have a particularly good relationship with the Germans. But I do not know the operational plans.

[DIE ZEIT] How probable is a cease-fire in view of the new offensives? Aren't the Muslims and Croats now also seeking a military solution, just as the Serbs did earlier?

[Koschnick] I think they want to have conquered as much territory as possible, instead of exchanging a small morsel for another at the negotiation table. The United Nations will now have to act and say 'enough is enough.'

[DIE ZEIT] You welcomed the NATO air raids against the Bosnian Serbs.

[Koschnick] Yes, and I already called for such air raids earlier. Peace means that those who are trying to disturb peace by force will then be called to order by the United Nations, which may mean by the means available to NATO.

[DIE ZEIT] If necessary, even air raids against Muslim and Croat units advancing against the Serbian town of Banja Luka?

[Koschnick] May be. If the United Nations decides to do so.

[DIE ZEIT] You have had direct experiences in Mostar with the difficulties of peace. There is a cease-fire, there is a city on paper, which is, however, still divided. You said recently that if the Croats refused to cooperate in an integrated city police, you would go home.

[Koschnick] Then the European police will go home. Some European governments, in particular the German Government, have said they do not want their police to be exposed to the danger of being shot at by the Serbs, without any progress being made in the integration of the police in Mostar. I said that if nothing is being done, I am not going to keep the EU police in Mostar. This warning has had an effect in that on Monday last week [18 September], the Croat side agreed to take the second step toward integrating the police in Mostar: Croat and Muslim police will patrol along the confrontation line jointly with German, with European police. However, this is not enough. I want to see the population move freely.

We have a divided city like Berlin, but we do not have a wall. The Croats do not let anyone pass—with the exception of 250 persons who have a permit—women, children, and old men over 60.

[DIE ZEIT] Are you seeing a chance that this division can be overcome by the time your mission will end—by the middle of next year?

[Koschnick] If not, the federation between Muslims and Croats in general will not be possible. Mostar is the test of whether or not a federation is possible, because the government of a federation must be accessible to every citizen, the canton government must be accessible, the local government must be accessible to everyone. Frontier-crossing permits are no solution.

[DIE ZEIT] This certainly shows how precarious the federation between Muslims and Croats still is. Will the success of Croat arms not lead to the Croats being less and less happy with this federation?

[Koschnick] The government in Zagreb is in favor of this federation—for strategic reasons. It does not want a tripartition as in Bosnia-Herzegovina—a Croatian part, a Muslim part, and a Serb part—involving a strongly marked Muslim part with its own relations across the Mediterranean, so to speak. It will only remain a secular republic if Croats and Muslims cooperate. The Muslim side has also a very large interest in focusing on Western Europe and the United States, because it has realized that its only economic chance is here and nowhere else. So there is a common interest. However, this common interest is not shared by the Croat leaders in Herzegovina.

[DIE ZEIT] In your view, is this the reason for the specific problems in Mostar?

[Koschnick] Yes. There were intentions at one time to divide Bosnia-Herzegovina into a Serb and a Croat part at the expense of the Muslims. For this, Croats sacrificed their lives. Many Croats are now asking themselves: "What for? Why? We are not affiliated with Croatia, which is what we wanted. We do not even have a purely Croat canton. We wanted to have Mostar as a purely Croat city and have not succeeded." In addition, the Serbs will reportedly get a republic, and the Croats are supposed to give up their "Herzeg- Bosna." There is strong resistance to these plans.

[DIE ZEIT] You are optimistic that Bosnia-Herzegovina has entered the final phase of the war, but nonetheless, you see the three ethnic groups confronted with almost unsolvable problems. What will the situation in the republic be in five years?

[Koschnick] I wish Bosnia-Herzegovina that after five or ten years, the Serb population wants to stay in the republic. I am very skeptical, however, whether this will be possible with the hatred that has built up. I am concerned that the planned agreements will not guarantee the republic's safety. This will perhaps

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

be possible if the world is really ready to make a considerable contribution to the reconstruction of the infrastructure. This has been promised for today, but you know very well that finance ministers are more skeptical than foreign or defense ministers when the point is to distribute money.

[DIE ZEIT] To ensure peace, not only NATO soldiers would be necessary, but also considerable material aid?

[Koschnick] Definitely—not only for the Bosnian part, not only for Herzegovina, and not only in the Croat Krajina or Slavonia, but very clearly also for Serb territories.

Croat Forces Reportedly Loot Western Town

AU3009183495 Paris AFP in English
1814 GMT 30 Sep 95

[FBIS Transcribed Text] Sarajevo, Sept 30 (AFP)—A town in western Bosnia, captured by Croat forces ahead of their rout of rebel Serbs in neighbouring Croatia in August, is currently "deserted and looted," aid workers who visited the town said Saturday [30 September].

Glamoc, a Serb majority town before the war, lay in the path of Croat forces as they tried in July to outflank the rebel Krajina state in Croatia by creating a Croat-only buffer zone along Bosnia's western border.

"The road (to the town) is very deserted, there is no traffic and many houses are in a bad way, visibly looted or burnt and lacking roofs and windows," an aid worker who requested anonymity said.

Though some houses were being repaired "in a rather improvised way" the aid worker said, only 500 people were in the town which had a 12,000 pre-war population.

It was not clear if these were people returning to their homes they left while Glamoc was held by the Serbs or Bosnian Croats being shipped in to inhabit the deserted town.

The town's mainly Serb population fled the Croat advance along with thousands of others from adjacent villages and towns seized by the regular Croatian Army and the Bosnian Croat militia, the HVO.

The situation in Glamoc is likely to attract attention because of controversy surrounding the Croatian authority's treatment of minorities since the capture of Krajina.

A European Union report recently released said that in some towns in the formerly Serb-controlled rebel Krajina had been looted and burnt. The few Serbs who had remained behind were subjected to a "deliberate hostile policy" the report said. Others were murdered, said the report, a copy of which was obtained by AFP.

UN: Slovene Envoy's Car 'Injured' Serb Soldier

AU0210120295 Paris AFP in English
1132 GMT 2 Oct 95

[FBIS Transcribed Text] Sarajevo, Oct 2 (AFP)—Bosnian Serb troops early Monday fired on a car carrying Slovenian Ambassador Drago Mirosic as he was leaving Sarajevo, and have detained a second vehicle, UN officials said.

The incident took place at a Bosnian Serb checkpoint close to the UN-controlled Sarajevo airport, UN spokesman Lieutenant Colonel Bernard Briere said.

Briere said Mirosic's convoy took a wrong turning as it was leaving Sarajevo and stopped between a French UN observation post and a Bosnian Serb checkpoint at Gorni Kotorak.

Realising where he was, the ambassador's driver made a hasty U-turn and slightly injured a Bosnian Serb soldier who then opened fire.

The Serbs then seized a second vehicle, carrying a Slovene diplomat and bodyguard.

A French official was sent to the scene to persuade the Serbs to release the two men, Briere said.

The incident took place the day the U.S. mediator Richard Holbrooke was to return to Sarajevo to try to arrange a cease-fire throughout Bosnia.

The Bosnian government has been demanding that the United Nations force the Serbs to open the roads into and out of the Bosnian capital.

Slovenia was the first of the former Yugoslav republics to secede from Yugoslavia and fought a brief 10-day war with the Serb- dominated Yugoslav National Army to win its independence.

Red Cross Unable To Visit Prisons Since Feb

AU2909201995 Paris AFP in English
1936 GMT 29 Sep 95

[FBIS Transcribed Text] Geneva, Sept 29 (AFP)—The International Committee of the Red Cross hit out here Friday [29 September] at Bosnian military authorities—whether government, Croat or Serb—for preventing them from visiting prisoners.

It said it was experiencing difficulties seeing captured soldiers, civilians or members of international forces regardless of who was holding them.

The ICRC said that over the last several weeks it had not obtained access to those captured during clashes in Bosnia-Herzegovina, particularly in northern Bosnia.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The ICRC said it had been refused permission to visit some prisons and detention centres in areas controlled by Bosnian Serbs since February.

It added that even if people were hidden unintentionally from the ICRC, they were being deprived of their right to protection from possible maltreatment or in custody.

Troops Reject Cease-Fire Calls, Want To Fight

AU0110203395 Paris AFP in English 2016 GMT 1 Oct 95

[Report by Sonia Bakaric]

[FBIS Transcribed Text] Kljuc, Bosnia-Herzegovina, Oct 1 (AFP)—Soldiers in the Bosnian Army are rejecting U.S. calls for a ceasefire, saying instead that they are ready to go all the way to the Serb stronghold of Banja Luka.

In the town of Kljuc, captured two weeks ago, officers complained about slow progress in overcoming Serb resistance on the vital road between Bihac in the northwest and Jajce in the center.

Bosnian military chiefs also said they had been warned about a coming Serb offensive.

"Our American friends told us that the Serbs were going to launch an offensive in less than a week," said "Osman" the "nom de guerre" of an officer in an elite unit of the Seventh Corps.

The Bosnian Fifth Corps is already under attack further to the north at Bosanska Krupa. The offensive began September 29 and the town is within range of Bosnian Serb artillery, according to UN military spokeswoman Myriam Sochacki in Sarajevo on Sunday.

Bosnian troops are vulnerable at that point since they are stretched very thin and are 80 kilometers (50 miles) from their base in Bihac, according to a UN military source who warned that the Bosnian Army Fifth Corps risked being cut in two.

In his headquarters in the hills outside Kljuc, Osman said on Saturday: "We are ready to take them on and to defeat them."

Osman, who looks like the teacher he once was, says that more than half of the heavy weapons that the Serbs were forced to withdraw from around Sarajevo during two weeks of NATO airstrikes, have been moved to round Banja Luka, the largest Serb-held town in Bosnia.

Banja Luka, about 60 kilometers northeast of Kljuc, is considered the last real Serb stronghold.

Sarajevo has called for demilitarization of Banja Luka as one of its preconditions for agreeing to a ceasefire that U.S. envoy Richard Holbrooke is trying to set up.

"Our intelligence services have told us that some 2,000 Serb troops from elite units have come from Belgrade recently," Osman said.

In Belgrade, the Bosnian Serb news agency SRNA reported on September 20 that Zeljko Raznatovic, also known as "Arkan" was in Sanski Most, which Bosnian troops are trying to take.

Kljuc, which is held by Fifth Corps troops from Bihac and Seventh Corps troops based in Travnik in central Bosnia, could soon be the target of a Serb counterattack.

Before the war, this town of 20,000 people has been an important link on the 110 kilometers (70 miles) of road between the recently retaken town of Jajce in central Bosnia and Bihac to the northwest.

The city has been virtually empty for three years, and now serves as a rear base for Bosnian troops who, according to Commander Osman, are pressing hard on the Serb-held town of Mrkonjic Grad.

Tanks patrolled the roads to the front lines on Saturday while reinforcements arrived in buses and on foot. Bosnian soldiers say that they continue to be assisted by Bosnian Croat forces.

Osman said that one or two kilometers of territory were gained every day, including a tunnel, in the drive to Mrkonjic Grad.

The fall of the town, which had 27,000 residents before the war, most of whom are Serbs, would give the Bosnian troops another road, and constitute another big win for the Bosnian government, and another reason to delay a ceasefire.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Galbraith Warns Against Force in Eastern Slavonia

LD0110153095 Belgrade TANJUG in English 1458 GMT 1 Oct 95

["Pool" item]

[FBIS Transcribed Text] Zagreb, Oct. 1 (TANJUG)—U.S. Ambassador to Zagreb Peter Galbraith said on Saturday the United States had made it clear to Croatia that it was completely unacceptable that the problem of eastern Slavonia be settled by military means.

Croatia must be a homeland for Serbs as well as for Croatians, Galbraith told a news conference, and added this was a condition for U.S. engagement in settling the eastern Slavonia problem.

There can be no peaceful solution, i.e. 'reintegration' of eastern Slavonia, part of the Republic of Serb Krajina, without full respect for the rights of Serbs in Croatia, including the right to return and reclaim property, said Galbraith.

Eastern Slavonia (Sector East) is the only part of the Serb Krajina Republic not under Croatian occupation. Sector West was occupied in May and sectors north and south in August.

More than 250,000 Serbs took to flight ahead of the aggressions, and now only several thousand remain. Croatia has introduced various administrative obstacles to prevent their return.

Croatian troops are settling Croatian refugees in Serb homes or destroying them in an attempt to eradicate traces of Serb centuries-long existence in krajina.

Serbs in Croatia declared their own state, the Republic of Serb Krajina, in response to Croatia's secession from the former Yugoslavia and reducing the status of Serbs from a nation to a national minority.

U.S. Official Urges Zagreb To End Violence

LD0110141095 Belgrade TANJUG in English 1356 GMT 1 Oct 95

[FBIS Transcribed Text] Belgrade, Oct. 1 (TANJUG)—U.S. Assistant Secretary of State for Human Rights John Shattuck has called Zagreb to end violence against Serbs in Krajina.

Shattuck on Saturday evening said the United States might consider withdrawing its financial assistance and political support to Croatia unless Zagreb condemned all those responsible for killings and other crimes against Krajina Serbs, news agencies reported from Zagreb.

The cabinet of Croatian President Franjo Tudjman declined to make any comment on Shattuck's statement, the news agencies said.

After returning from a visit to Krajina, which was captured by the Croatian Army last August, Shattuck said his first impression had been that the region was devastated.

Enough statements have been made by witnesses about corpses found along roads and on other sites after Croatia's operation 'Storm,' which indicates a very large number of killings, especially of old people, Shattuck said.

Barely about 3,500 Serbs, mostly old people, have remained in the former U.N. sectors south and north in Krajina after estimated 250,000 local Serbs fled the region in the face of the Croatian military offensive. About 165,000 of them have found refuge in Yugoslavia.

Anarchy, which seems to be reigning in Krajina, must end, Shattuck said, adding that the United States condemned every instance of human rights violation. He said the purpose of his visit had been especially to condemn such violations in Krajina in the past few weeks.

Those crimes would never have happened had the Croatian Government taken measures to prevent them, such as arrests and punishment, he said. He stressed that attention was now focused on the treatment of Serbs, who, he said, had the right to return to Krajina.

Some ten days after the Croatian military offensive was completed, authorities in Zagreb categorically denied that their troops had committed crimes against Krajina civilians.

However, pressed by growing evidence presented by officials of the United Nations and international humanitarian organizations, they were later forced to change the stand, shifting the blame on 'irresponsible individuals.'

U.N. reports, however, have shown that observers had invariably seen Croatian soldiers and policemen guarding the burning Serb houses in the region even two weeks after the end of the operation.

Shattuck also called Zagreb to revoke its recently adopted law allowing Serb property in Croatia to be confiscated without any compensation.

He said that the property of Serbs must be respected and that the Croatian Government was potentially creating a policy of massive confiscation.

Croatian authorities are currently populating the Krajina region with Croatian refugees, while the expelled Serbs have been given no more than a month to return to Krajina to settle the problem of their property, or it would be confiscated.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Krajina Serbs have left behind about 120,000 homes, whose value, according to initial estimates, amounts to three and a half billion dollars. The value of other property—such as industrial facilities, land, objects of cultural and historical value etc.—have not yet been estimated.

Tudjman Urges 'Reintegration' of Territory

LD0110125295 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 1 Oct 95

[FBIS Translated Text] We have just received a report from the president's office. President Franjo Tudjman today received U.S. Assistant State Secretary Richard Holbrooke, accompanied by U.S. Ambassador to Croatia Peter Galbraith. Hrvoje Sarinic, the president's chief of staff; Mate Granic, deputy prime minister and foreign minister; and Miomir Zuzul, the president's special envoy to the United Nations, were present at the talks.

Mr. Holbrooke briefed the president on the talks he had with Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, and Serbian President Slobodan Milosevic within the international community's peace efforts.

Talks also focused on the reintegration of the occupied territory of eastern Slavonia, Baranja, and western Srijem in the constitutional and legal system of the Republic of Croatia, the situation in western Bosnia, and on possibilities of a cease-fire.

The president of the republic reiterated Croatia's stands relating to the urgent reintegration of Croatia's occupied territories within the framework of a global peace agreement, and in this context reiterated his support for U.S. peace efforts.

Granic Holds Talks With Foreign Ministers

LD2909190795 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 29 Sep 95

[FBIS Translated Excerpt] Croatian Foreign Minister Mate Granic, who has been in New York since Monday, held talks today with several foreign ministers who are taking part in the work of the 50th session of the UN General Assembly. It has been announced that Minister Granic will address the General Assembly later today. Andjelko Perincic reports from New York:

[Perincic] As I report, Minister Granic is holding talks with his Albanian counterpart Alfred Sarreqi at the Croatian Embassy at the United Nations. Croatia wants to develop economic relations with this friendly country. The Croatian oil company INA is particularly interested in economic cooperation. Albanian companies would like to export their raw materials, and Croatia its consumer goods.

Before this meeting, Minister Granic had his first contact with Thai Foreign Minister Kasemsamoson Kasemsi. Thailand belongs to the ASEAN group. During their talks, a mutual wish for the development of economic relations was expressed. Croatia is planning to appoint an honorary consul in Thailand.

Minister Granic's first meeting this morning was with Malaysian Prime Minister Mohamad Mahathir. Minister Granic had the following to say after the talks:

[Begin Granic recording] The meeting with Prime Minister Mahathir was a meeting with the prime minister of a friendly country, with which Croatia has good political relations and huge economic interests, and vice versa. Malaysia will stimulate cooperation related to joint projects with Bosnia-Herzegovina. The Republic of Croatia will next month open an embassy in Kuala Lumpur, which the Malaysian side has already done in Croatia. [end recording] [passage omitted]

Assesses New York Meetings

LD2909192095 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 29 Sep 95

[FBIS Translated Text] Assessing a dozen or so meetings he had in New York with his colleagues and other diplomats over the past three days, Minister Mate Granic made the following statement for Croatian radio:

[Begin Granic recording] There was no one who did not agree that our military operation came at the right time, that its diplomatic preparation and military execution were excellent, and that it has created a new balance of forces. That is the first conclusion. Most countries congratulated us on this.

The second conclusion is that some events after Operation Storm—in connection with destruction, arson, and crime—have certainly tainted our brilliant military operation, but Croatia's resolve to fully establish a legal system in this area will be welcomed by everyone and it will significantly facilitate Croatia's European integration.

Thirdly, as far as Bosnia-Herzegovina is concerned, everyone is lending their support, which has possibly led to the final talks. The United States and the EU are calling for total restraint with regard to Banja Luka and total restraint with regard to talks with local Serbs, but no one has negated Croatia's right to its own territory, which needs to be reintegrated into Croatia. Absolutely no one. [end recording]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Minister Granic will wind down his official visit to New York with an address to the UN General Assembly at about 2100 [1900 GMT].

Granic on Reintegration of Occupied Territories

Right To 'Unilaterally' Resolve

AU3009170895 Paris AFP in English 0035 GMT 30 Sep 95

[FBIS Transcribed Text] United Nations, Sept 29 (AFP)—Croatia threatened Friday [29 September] to retake eastern Slavonia by force if Pale does not agree to hold talks by November 30 to negotiate the return the territory, the last in Croatia still in Serb hands.

"Should the ongoing peace efforts fail, Croatia reserves the right to unilaterally resolve the problem of reintegration of the remaining occupied territories," said Croatian Foreign Minister Mate Granic, clearly indicating the use of a military operation.

He also said that Croatia would not recognize the Federal Republic of Yugoslavia (Serbia and Montenegro) until the matter had been resolved.

An offensive by Zagreb in eastern Slavonia, a narrow stretch of land on Croatia's border with Serbia, could spark an armed conflict with Belgrade.

Croatian forces recaptured Krajina in August and in alliance with Bosnian forces have retaken nearly a quarter of Bosnia since the beginning of this month.

Granic said negotiations over Slavonia would be part of the overall peace process in the former Yugoslavia "within the time-frame of the current peace initiative" and the November 30 expiration of the UN mission in Croatia.

He said Croatia was eager to open talks immediately with the Serb populations in eastern Slavonia and that they should lead to the reestablishment of Croatia's full sovereignty in the region.

Part of Peace Package

LD3009174595 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 30 Sep 95

[FBIS Translated Excerpt] During last week's visit to New York, Foreign Minister Mate Granic took part in the work of the Contact Group, held numerous meetings, and addressed the UN General Assembly. In the course or our meetings with high-ranking U.S. and EU officials we received guarantees that the reintegration of Croatia's occupied territories will be dealt with as part of the Bosnia-Herzegovina package, minister Granic said.

[Begin Granic recording] In our speech at the 50th UN General Assembly session we put forward our stands relating to the future role of the United Nations, especially the UN Security Council and the peace forces, as well as our stands relating to the reintegration of eastern Slavonia, Baranja, and western Srijem, which means that we will take an active part in the peace process and will attempt to find solutions. We clearly defined our proposals, and submitted them to peace mediators. We believe the crisis will be resolved peacefully. However, we have not surrendered our right to establish the territorial integrity of the Republic of Croatia if peace efforts fail. [end recording]

Granic added that Croatia will not agree to a referendum or a special status for the temporarily occupied territory because the Croatian people has always been a majority there. We want peace and stability in the region. The normalization of relations with Serbia depends on the process of reintegration, Granic said.

He confirmed that a step forward was made in New York as far as Bosnia-Herzegovina is concerned, but that more talks are needed on a cease-fire, and maps. [passage omitted]

Legal, Moral Aspect of 'Operation Storm'

95BA0368A Zagreb ARKZIN in Serbo-Croatian 1 Sep 95 p 10

[Article by Boris Buden: "Moral Disaster"]

[FBIS Translated Text] Commenting in a press conference in Vienna on the military action of the Croatian state in the former Serbian krajina, one member of the Croatian Helsinki Committee said that from a legal standpoint that action was entirely proper, but at the same time it was a moral disaster. His words best describe the attitude of a majority of external observers toward the military reintegration of parts of the Republic of Croatia [RH] occupied until recently. That is, no one seriously disputes Croatia's right to exercise sovereignty over its entire territory, but almost everyone questions the moral character of that action. Pictures of Croatian soldiers who, even in front of foreign television cameras, did not refrain from outright looting, the lines of Serbian houses burnt down to their foundations, and, in the aftermath, scenes of the large-scale exodus of Serbs are more than incidental blots on a splendid military victory. Nor is this impression altered by the fact that the Croatian political scene, most of the Croatian public, and most probably almost all of what allows it to be called the population of the RH sees no moral problem whatsoever in the military capture of the krajina. Adopting this attitude would signify adoption of the logic of the blind man who thinks that he does not see the world around him because it is small and unimposing, not because he is blind. On the contrary, there is

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

room to argue that the moral problem is Croatia's most important problem today.

The Legal and the Moral

What is involved here? From a purely constitutional standpoint there is no question as to the Croatian state's right to reestablish its authority over the entire territory within which it is internationally recognized. In that sense, the action of the Croatian executive branch is legal. However, this still does not mean it is legitimate. The principle of legitimacy in juridical ethics also includes a dimension which is on the other side of the positive legal order—the dimension of moral justifiability or unjustifiability of any act of the state. Here, a decisive role is played by values, which rise above the state and its law. The problem concerned here is one spotted by Kant. That is, if we are to evaluate any act, it is not sufficient simply to establish whether it squares or does not square with the law. We must also ask about the inner motivation whereby the law is respected or implemented. In our specific case, this means that we cannot be indifferent to the motives for initiating and carrying out the "military police operation 'Storm.'" Was that operation undertaken in order to reestablish over the entire territory of the RH the legality that was suspended at one time by the Serbian terrorists and the JNA [Yugoslav People's Army], and therefore to restore the law-governed state which would guarantee all citizens, without discrimination, all those rights guaranteed them by the Croatian Constitution, that is, it would guarantee all people the security of their property and their lives, but would also punish all crimes committed and reestablish an order worthy of life in a normal European society at the end of the 20th century? That would certainly be the motivation of that state which legitimized its reestablishment in terms of authentic democratic principles, in the idea of a state which promotes and protects human rights above all, and thereafter all the rest to which it is obliged under the law.

But what if the motivation was altogether different? For example, to settle the Serbian question in Croatia once and for all. That possibility is supported principally by those events that occurred on the liberated territory and that evoked the moral horror of outside observers, above all the looting and torching we have already mentioned. An unpleasant paradox crops up here. The RH is defending Operation "Storm" before the world public mainly in terms of its legality—the undisputed right of a state to extend its authority over all parts of its territory. And then the world public is presented pictures of Croatian soldiers and police who, if they themselves are not torching and looting, are at least not preventing others from doing so. Croatia, then, has restored authority over this territory not in order to exercise that authority, in other words not to terminate the illegal authority of the Serbian rebels, but to terminate all authority in general! The Croatian state has again been established in order to terminate itself at once. It sets in motion the machinery of war in the name of the law, and then it either tramples on that law or utterly ignores it. It appeals to the right of sovereignty derived from the will of the Croatian political nation and then diminishes that political nation to the level of a wild mob which it neither can control nor wishes to. Its order, then, is general disorder, its authority is the lack thereof, and its fundamental law is lawlessness. Its highest state interest is the interest of terminating itself as a state.

Internal Satisfaction

No! "The military police operation 'Storm'" is not legitimate. What is more, it justifies the Serbian rebels after the fact, finally giving them sufficient reason for rebellion, a reason which they did not have when that rebellion broke out. But at the same time it offers them a reason for their complete exodus. To that extent, the Serbs were not wrong in leaving. Therefore, one cannot be sorry for them as a collective entity, however tragic the destinies of the individual members of that people may be. Not on the grounds of revengeful cynicism: Let them experience what they did to others, they have been driven out as those who drove out others, they have been looted as looters, and they have been torched as arsonists. The matter is much worse than that. That is, they are leaving entirely satisfied. To be sure, they are losing their homeland forever and all the material property attached to it, but in return they are gaining something much more valuable, the sense that they were right, the most profound internal satisfaction and a charitable reprieve from facing the consequences of their own stupidity. Everything is exactly as they were told by their leaders whom they followed so blindly. The storm of the heroic Croatian executive branch performed a miracle. In a single stroke, Operation "Storm" made farsighted visionaries of the Serbian people from the worst Serbian demagogic rabble, from the irresponsible idiots and war criminals, from all those Martices and Babices, Mladices and Karadzices, Cosices, and Milosevices. And once again it offered that entire people what it supposedly lives on—defeats and resettlements. It is said that the departure of the Serbs was facilitated according to plan in the specific military execution of Operation "Storm," that nowhere were they altogether surrounded, although that was militarily possible, and that everywhere they were left a way out for complete withdrawal. The moral retreat which

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Operation "Storm" afforded them is far more important. Every looted and torched house, every stone thrown on the file of refugees, and every bit of spittle that fell on their cheeks restored their moral self-confidence which they had long since lost. In that sense, we cannot speak about any collective tragedy of that people at all. They need the drama of internal conflict. The fatalistic insensibility with which that people received blows, the self-evident readiness for sacrifice, leave no room for sympathy or pleasure.

General Progress?

The Serbian feeling of moral satisfaction is no less an illusion than the Croatian triumphant euphoria. The fact that an altogether legal military victory is perceived as a moral disaster, that is, ultimately as an event which, although legal, is not at the same time legitimate, not only cannot be ignored, but has a decisive impact on the character of the event itself and on the complete evaluation of the historical significance of reestablishing the Croatian state. Which brings us back again to Kant: The historical truth of any event does not lie simply in the deeds and misdeeds of the participants themselves, and still less in what they think about their acts. If in the chaos of events some event is to be singled out as historical, something else is needed. Disinterested observers, the outside public that is, need to recognize in that event what Kant would call "some progress for the better," not just in an individual sense, but in the sense of a "trend of the human species as a whole." Only, then, if that external public, in our case the European and world public, having no particular interest, enthusiastically welcomes some event that occurs here, recognizes in it some universal value, that is, a value of all humanity, only then will that event take on the character of a truly historical event, only then will the figures themselves be recognized in their historicity and acknowledged in their identity. It is a question, then, of that moral component which Operation "Storm" so disastrously lacks. In that, Operation "Storm" is not alone.

There is good reason at this point to pose the radical question of the fundamental motivation of the entire project of establishing the Croatian state. Only one thing is certain today—the idea of radical democracy was never for a moment the basis upon which the Croatian political people established its will, the forms of its institutional organization, and its specific political activity. Not even in the attempts at self-representation before the world public was the will for the Croatian state defended in terms of the idea of democracy. Back in early 1991, in a lecture in Vienna, President Tudjman explained to the Western world who he was and what he really wanted. He identified three important factors:

—first, communist socialism was brought down not under the influence of individual liberal democracy, but by the force of democratic nationalism;

—second, what is now on the historical agenda is a new wave of national democratic revolutions;

—and third, communist doctrine and communist-socialist movements have to a great degree contributed to the "development of a movement for national liberation and even the birth of sovereign states."

So, not the anemic idea of democracy, but the brutal vitalism of nationalism, not peaceful democratic reform, but national revolution, not a break with communist totalitarianism, but continuity with the best in it—the nationalistic movement. If there was anyone who at that time was not clear about what awaited us, in the fall of that same year he could have read from the president's pen that the only way to solve the Yugoslav problem was through "humane resettlement of the population." In light of those ideological premises, there is no reason to be surprised at what has happened. Nor is there any reason to deceive ourselves. The fundamental motivation of Operation "Storm" was not to reestablish a democratic law-governed state over the entire territory of the RH, but the final solution of the Serbian question. But that also means this: The so-called Serbian question did not for a moment exist in and of itself, it was always an ideological construct around which the Croatian national movement crystallized. What in the end does this mean? That the Serbs were not by any means an inherent obstacle to the Croatian state, but were actually the basic driving motivation of its establishment—the ideologically constructed foreign body, foreign in political terms, in civilization, in history, religion, genetics... Second, by whose exclusion was Croatian identity today established? The fact that the Serbs in Croatia played unerringly the role intended for them by Croatian ideology is just as little accidental as the fact that the Croats, in the brutal showdown with the Serbs as a factor of imminent subversion, a source of lawlessness, savagery, and civilizational regression, arrived at precisely that state which they wished to terminate—the state of lawlessness, savagery, and civilizational regression. That is why the serbianzation of Croatia will reach its culmination at the moment when the last Serb leaves Croatia.

On a Track That Leads Nowhere

The impression that we are dealing here with a kind of *folie a deux*, with the Croatian and Serbian sides acting identically and mutually, the impression that the flow of events resulted from the specific agreement of political elites does not arise from a similarity in what

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the Croats and Serbs have done in recent years, but from the identical nature of what they did not do—neither of them established their own political, cultural, or any other activity around the idea of radical democracy. That is why neither of them are recognizable in the moral dimension of their activity by the terms of reference of the world public, that is why there is no point at which the human species might recognize a tendency toward general human improvement. So, as far as the Croatian state is concerned, however paradoxical it may sound, we can say that in the sense of its legitimacy it has never been recognized. Its existence is still a picture of absurdity—the picture of some Potemkin railroad station built on a track of history that leads nowhere.

Census in Krajina To Measure Ethnic Purity

95BA0379A Split FERAL TRIBUNE in Serbo-Croatian 11 Sep 95 p 3

[Article by Boris Dezulovic: "The Big Conveyor Belt"]

[FBIS Translated Text] It was all ready in just one month.

On 4 August, Operation "Storm" began in the early morning hours. In advance of the Croatian Army, President Tudjman's message to the Krajina Serbs to remain in their homes and accept Croatian sovereignty, which would guarantee them all human, minority, and other rights, was broadcast every 15 minutes over Croatian Radio.

In only slightly more than 24 hours, the Croatian Army entered Knin, and kilometer-long columns of tens of thousands of soldiers, old people, women, and children set out from Martic's shattered quasi-state through the two corridors that had been left open. Overrun by tanks of their own army, shelled by Croatian and Bosnian Muslim cannons, and bid farewell with stones, excrement, and curses of the angry people of Sisak, the headlong flight of more than 100,000 people was lost and scattered along the road through Banja Luka to the Serbian border. "As though they had never existed," the man who had appealed to them so persistently to remain in their homeland vividly described it when the Freedom Train from Zagreb to Split was met a few days later in Karlovac.

What followed after Operation "Storm" was what is being called here "perhaps unjustified, but certainly understandable rage." Militia units along the "path of the 47th" and who knows what other brigades looted and torched everything that survived Operation "Storm." Just a few days later, looting excursions of encouraged city dwellers began, and they piled into the trunks and trailers of their cars everything they could lay their hands on: from cassettes of Ceca Velickovic, Red Star pennants, and the signs of various "opcina assemblies," to roof tiles, VCR's, and tractor-drawn farm machines. The more resourceful, however, simply carried new lock sets and a can of paint, locking up empty apartments and writing visible phrases: "Occupied. Croat!"

The chaos in which entire villages (Kistanje) and cities (Donji Lapac) were destroyed reached such proportions that afterward even General Ivan Cermak, commander of Knin, had to admit publicly that this was intolerable and that "even a month after the liberation the looting and torching of Serbian houses is still taking place," which was something that had to be stopped.

So that there should be no confusion whatsoever about the system of the entire madness, some high officials in the Croatian Government have justified it very vividly. The highest of them, the one to whom the Constitution refers with delight as the commander in chief, first explained in one of his speeches along the route of the Freedom Train that "those in the world who blame Croatia for isolated cases of torching and looting should realize the biblical principle from the Old Testament—an eye for an eye, a tooth for a tooth." Then in an interview with SLOBODNA DALMACIJA he expressed regret that the exodus of the Serbs had occurred in this way, recalling his negotiations with Cosic and Milosevic in Geneva in 1992, when they nicely agreed to organize "voluntary resettlement of the population." Nevertheless, explained the Great Conveyor, "regardless of the personal tragedy of these people, the results will be constructive, because the role of the Serbs in Croatia that has lasted from Turkish times to today will have been avoided." Finally, in an interview for the large-circulation German paper FOCUS, he would conclude that "a return of the Serbs is almost unthinkable," for one thing because "that would not be in the interest of normalizing Croatian-Serbian relations"!

What the Great Conveyor was thinking was expressed succinctly in a single sentence by Deputy Prime Minister Bosiljko Misetic at a press conference: "Croatia does not want people who belong to another nationality living in it."

On 4 September, exactly one month after Operation "Storm" began and Tudjman issued his reasonable appeal to the Croatian Serbs, that same Bosiljko Misetic would announce in a solemn voice the decision of the Croatian Government to conduct from 1 to 15 April 1996 "the first census of the population of the Republic of Croatia following international recognition and independence." In making the case for the decision, Misetic was to say that "following the military police action Operation 'Storm,' Croatia has been abandoned

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

by a number of citizens who had lived in that area until the liberation," and that the census was necessary in order to obtain an "accurate picture of the demographic composition of the population."

Aside from being a form of warehouse bookkeeping, the census will also have an altogether practical importance: The changes in certain provisions of constitutional laws, such as the one about ethnic and national minorities, will be based on the purity of the "picture of the demographic composition" that is obtained. The issue is, we believe only the packed government rules of order when Bosiljko or some other misetic [little mouse] announces amendments in the Law on Nationality, under which not only pure-blooded Croats, but all citizens registered as residents of the Republic of Croatia as of the date of the 1996 census will be entitled to the certificate of nationality.

The population census has thus been conceived as a monthly accounting of a glorious August in our history and a declaration of Croatia's ethnic purity. "As though the Serbs had never been here," as Dr. Franjo Tudjman, his face distorted in a spasm of unrestrained joy, had already announced the "constructive results."

Under the government law, the population census will begin as of midnight on 31 March. The Croatian darkness will thus be documented even officially.

Croatia Blocking Return of Serb Refugees

LD2909174895 Belgrade TANJUG in English 1452 GMT 29 Sep 95

["Pool" item]

[FBIS Transcribed Text] Zagreb, Sept 29 (TANJUG)—Croatia's Helsinki Committee for human rights warned that Croatia was blocking the return of Serb refugees to Krajina and said that conditions for their return should be set out.

In a public correspondence with Croatian Minister Adalbert Rebic, who is in charge of refugees, the Helsinki Committee said that the recommendation given to Serbs to obtain from the Croatian bureau in Belgrade a certificate for their return was a vicious circle.

The bureau has no consular authorization to issue certificates necessary for the return of Serbs and the head of the bureau, Zvonimir Markovic, has gone to Zagreb 'for consultations', the Helsinki Committee said.

Many Serbs who tried to return were turned back at the Croatian border on the basis of discretionary rights of the border police, the source said.

The Rijeka paper NOVI LIST said that Croatia did not want the Serbs back and that it would do everything to have them outside of Croatia by creating administrative problems.

The Croatian daily said that after the Operation Storm (the Croatian offensive on the Republic of Serb Krajina), Croats were settling in the houses of expelled Serbs and that a fait accompli would be achieved, so that the Serb refugees would have nowhere to go back to.

About 250,000 Serbs, who had lived in Croatia for centuries and had formed their own state, the Republic of Serb Krajina, escaped to neighbouring Republika Srpska [Serb Republic] and Yugoslavia after the May and August aggression by the Croatian Army on central, western and southern parts of the Republic of Serb Krajina.

Serbs in East Slavonia Count on FRY Aid

AU2909192295 Belgrade INTERVJU in Serbo-Croatian 22 Sep-6 Oct 95 pp 6-7

[Interview with Milan Milanovic, Krajina Serb official, by Momir Ilic; place and date not given: "Everybody Fears Serbia"]

[FBIS Translated Excerpt] In the remaining, unoccupied part of the republic of Serbian Krajina [RSK], that was known for years as eastern Slavonia, western Srem, and Baranja and that has recently been renamed the Srem-Baranja region, Milan Milanovic, aide to the defense minister of the RSK, belongs to the narrow circle of top officials in the region. In addition to the function of defense minister's aide that he earned as early as when the first Krajina government was formed, Milanovic is a member of the Regional Council and chief of its negotiating team. We met in Erdut last Sunday.

[Ilic] Whose initiative was it to form the Council of the Srem-Baranja region?

[Milanovic] The establishment of the Council was our need. It came about due to the circumstances after the fall of the western part of Krajina and our geographic position. The idea of constituting such a body was being most persistently pushed through by the representatives of the Krajina Army.

[Ilic] Does Belgrade share in it? It is supposed that such a thing could not have been done without the approval of Yugoslavia, that is, Serbia?

[Milanovic] Some things were done with the knowledge of Belgrade. However, the problems on the ground demanded speedy action, after which we acquainted Belgrade and the public back home with our idea and intention. From 1 May to 4 August, that is, from the fall of western Slavonia to the fall of Knin, we met several times with many personalities from Belgrade.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

We met several times, analyzed the situation, did some jobs, but we did not show up in public. We followed the events in Krajina, and when we saw how the things were developing there, we turned to Belgrade and introduced it to our idea. Belgrade made no objections and accepted it as a reality.

[Ilic] Before the Council was formed, the Coordinative Body functioned in this region, headed by Goran Hadzic, former president of the RSK. Is the Council the successor to that body?

[Milanovic] The Coordinative Body was made following the proposal of the former prime minister of the RSK Government, namely Borislav Mikelic. Among the five chairmen of the Srem-Baranja counties, Mikelic designated Hadzic as coordinator. After that, Mikelic's government fell, after which Babic's cabinet entered office, but Knin fell as well. Then the question was raised: What or whom does the Coordinative Body represent? We think that with the fall of Mikelic's government, the Coordinative Body dissolved by itself.

Founding a New State

[Ilic] There are opinions that forming the Council is an introduction to founding a new state, that is, to the break with what is known as the RSK?

[Milanovic] We have never said that the RSK does not exist. Our newest seal reads: The republic of Serbian Krajina—the Srem-Baranja region. However, war conditions require a new organization of the state in that region. We shall have our own budget, army, police, judiciary,... everything that one state is supposed to have, only in minisize. [passage omitted]

[Ilic] You acknowledge the existence of the RSK, but it is visible that you treat its representatives—president of the republic and prime minister—differently. Milan Martic and Milan Babic have still not showed up here, in Baranja, and we heard that the Krajina prime minister was sent away from the border when he was on his way to Vukovar, that is, Erdut.

[Milanovic] RSK President Martic and prime minister Babic have not visited this region for many reasons. They probably consider themselves responsible for the loss of the western part of Krajina. From 4 August until now the two did not even try to come to Vukovar. And even if they did, the Council would meet and reconsider: Would it be good if Martic and Babic showed up here at [illegible]nt, when the greatest concern is the defense of this space and people, and what would they do here anyway? [passage omitted]

[Ilic] What is the minimum of demands in your negotiating platform, beyond which you will not go in the negotiations with Croats and the United Nations?

[Milanovic] We demand that the Srem-Baranja region in the next five years be neither Croatian nor Serbian, that is, be a blue zone under UN control. When conditions for a referendum under the auspices of the international community are met, it is the people who should decide with whom and where they will live.

[Ilic] What are the chances that the international community takes into consideration at least some of your demands?

[Milanovic] If it had not been interested in settling the problem in a peaceful way, its negotiators would not have come here in the first place, and war would have already been waged here. [passage omitted]

[Ilic] Are there any representatives from Belgrade on your negotiating team?

[Milanovic] For the time being there are no representatives of Serbia, that is, the FRY. But we do keep in touch with Belgrade all the time, because without Belgrade's consent we do nothing. We consider that the time will show we are right. Because, if the world recognizes President Milosevic as the chief negotiator, why would we be behaving differently? The region is not only important for the people living here, but also for those living across the river, that is, in Vojvodina and Serbia. Which is to say, we are doing nothing without Belgrade's knowledge and consent. We think that Belgrade is making wise moves. [passage omitted]

[Ilic] How much do you believe that your region will not experience the fate of the western part of Krajina?

[Milanovic] I know this region extremely well. Of 105 settlements in our region there is not a single one I did not visit before the war. There is no part of the front where I have not been yet, and no soldier whom I have not spoken with. The people and the Army are determined to defend their land. Perhaps, if a greater force attacked us, we would have a greater number of casualties. Nevertheless, I maintain, if the Croats attack us, they will suffer so many casualties that no policy or government will be able to justify them. We have means to defend ourselves.

Defense in the First Place

[Ilic] Does that mean that you have guarantees from Belgrade that you will not be left in the lurch?

[Milanovic] I accept such an interpretation.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Ilic] There are frequently opinions that you are actually buying time by negotiating with the representatives of the international community and the Croatian army.

[Milanovic] I believe that the international community and the U.S. negotiators have not yet made a final decision on the fate of the Srem-Baranja region, and consequently, they are buying time. The Croats are buying time as well, because if they had been ready, they would already have attacked us by now. We would appear ignorant if we were not doing the same.

[Ilic] Is there a bit of truth in the hearsay that each house in Srem and Baranja is ready for evacuation, and that in their front yards people are keeping trailers packed with things, ready for flight across the big river to Serbia?

[Milanovic] We have withdrawn only the weakest ones from the border area into the hinterland. If it comes to large-scale warfare, we have an evacuation plan for women, children, and the elderly. But we shall take a reasonable approach to the execution of the plan, as we already did on several occasions by now. Women and children will not jam our roads or bridges, and they will not endanger the system of defense. To put it more precisely, the case of western Krajina will not repeat itself here.

[Ilic] Are you well-armed?

[Milanovic] If I, as deputy defense minister, were satisfied with what we have, I could resign right away.

'Harsh' Measures Against Krajina Serbs Condemned

AU3009174895 Paris AFP in English 1240 GMT 30 Sep 95

[Report by Diane Bartz]

[FBIS Transcribed Text] Zagreb, Sept 30 (AFP)—Croatia's reconquest of the Krajina from rebel Serbs last month was followed by killing, looting and burning of Serb homes in the latest round of Balkan ethnic cleansing, according to a European Union report.

While Serbs are seen as the chief culprits in neighboring Bosnia because of expulsions of Moslems and Croats, Croatia's treatment of the few Serbs who remained in the Krajina after a lightning August offensive is deliberately harsh to ensure the Serbs do not return, according to a confidential report by the European Community Monitor Mission (ECMM).

"The few Serbs who remained in the Krajina after 'Operation Storm' have been subjected to a deliberate hostile policy, which included killings, burning of houses, looting of property and various legal obstacles," the report said.

"Croatian statements which invited the Serbs to remain or return must be regarded as being in complete disagreement with reality," said the report, a copy of which was obtained by AFP.

In some towns, 90 percent of the homes were looted, most repeatedly, and then burned, according to UN sources. A total of 62 bodies have been found, most of whom were people killed long after the offensive.

The death toll is likely much higher, but UN and ECMM access has been limited.

"Signs that killings have been taking place are widespread," the report said. "ECMM Knin attempted on 10 August to investigate a persistent rumor that the HV (Croatian Army) was burning corpses at a church near (the former Serb stronghold) Knin. They were denied access by a large security presence but witnessed an excavator digging inside the cemetery along with medical personnel, two ambulances and a medium-sized refrigerator truck."

The report also cited evidence that Serb refugees had been shelled a full two weeks after the offensive ended.

"There was a huge amount of personal belongings from a refugee convoy spread along both sides of the Glina-Dvor road. This could be seen over a distance of four kilometers (three miles), showing signs of shelling and possibly fighting," said the report.

While one goal of the Croatian Government's offensive was to recover its territory, the report said a second was to rid itself of the Serbs, which the report referred to as a "sizeable and unwanted minority."

"ECMM spoke with an 81-year-old woman who had been pistol-whipped by HV (Croatian Army) soldiers. She had also been placed in front of a wall and the soldiers fired shots around her head," the report said.

Few Serbs now remain in the area—UN sources put the figure at 4,500 out of an original population of 185,000.

The Croatians who elected to stay during the four-year Serb occupation have also been targetted for harassment, often by the estimated 5,000 Croats expelled by Bosnian Serbs from the northern town of Banja Luka who ended up in the Krajina, a UN source said.

"Looting of virtually all houses took place and numerous houses were burned to the ground long after the fighting had stopped," the report said.

With valuables taken first, the most recent looting—and UN sources say it is still going on—has extended to crops, farm animals, equipment and tractors, with vandalism including dumping stones in shallow wells to block their springs.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The looting has diminished considerably, but mainly because there is little left to take, according to Zarko Pukovski of the Helsinki Committee for Human Rights in Zagreb.

Pukovski estimated that the prices of used electronics had dropped by 50 percent in Zagreb in the past six weeks, as looted items flooded the market.

Croatian authorities have informed the United Nations that 375 people have been arrested in connection with looting and burning in the area, including 260 civilians, 70 police and 35 army, said UN spokesman Christopher Gunness.

The extent of the destruction and ethnic cleansing has alarmed Croatians.

"In Croatia, there are not enough apartments but there are too many burned houses," said Stipe Mesic, the last Yugoslav president before the federation broke up in 1991 and the current leader of the Croatian Independent Democrats, a small opposition party.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Assembly Head Welcomes Admission to CE

LD2909201495 Belgrade TANJUG Domestic Service in Serbo-Croatian 1626 GMT 29 Sep 95

[FBIS Translated Text] Skopje, 29 Sep (TANJUG)—Stojan Andov, president of the Assembly of The Former Yugoslav Republic of Macedonia [FYROM], said at a news conference in Skopje today—on the occasion of FYROM's admission to the Council of Europe [CE]—that this was a major event in the historic development of any European country.

Andov believes that FYROM passed its first test in democratic ability for meeting European standards.

He laid emphasis on the new approach of [FYROM's] neighbors when they voted for the admission of FYROM to the CE.

"The whole procedure and the conduct of our neighbors demonstrated a new atmosphere in the Balkans, including Greece. The Strasbourg meeting demonstrated that our southern neighbor showed respect for the provisions of the transitional agreement signed in New York on 13 September," said Andov.

Andov also said that FYROM's admission to the CE, under this name, was the only solution Greece would not oppose.

The admission was up to now blocked by Greece because of a dispute about the name, symbol, and some provisions of the constitution of this former Yugoslav republic.

The problem has partially been resolved by the recent signing of the transitional agreement in New York.

Protest Against Interim Accord Planned for 4 Oct

AU3009162195 Skopje MIC in English 29 Sep 95

[FBIS Transcribed Text] A peace protest is scheduled to take place in the center of Skopje on October 4, one day before the parliamentary session at which the state flag is expected to be changed and the Interim Accord for normalization of the relations between Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] and Greece is expected to be ratified. This was announced at the news conference of the "Convention for Macedonia." The representatives of the signatories of the Convention—a couple of parties that are not in parliament: VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity], the Labor Party, MAAK-Conservative party, the Democratic Party, as well as a number of NGOs from the country and the world, informed yesterday that the protest was motivated by the great concern and distress which was caused in the public by the recently signed agreement between the two countries, and that it presents a form of demonstration of that anxiety and attempt to influence the authorities, as well as the domestic and world public.

The meeting place of the protest procession will be the plateau in front of the Cathedral church St. Clement of Ohrid in Skopje, at 19.00 hours, from where it will head toward the building of the Macedonian Government, and then in front of parliament building. The organizers have announced that the protest will be peaceful and that the existing state symbols will be raised.

Demonstrations are also expected to take place in front of the building of the United Nations on November 1, when the UN Secretary General will be handed the declaration of the "Convention for Macedonia."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Reportage on End of Shalikashvili Visit

LD2909195595 Warsaw TV Polonia Network in Polish 1830 GMT 29 Sep 95

[FBIS Translated Text] General John Shalikashvili said that the United States wants countries that are not members of NATO to take part in restoring peace in Bosnia. The chairman of the Joint Chiefs of Staff of the U.S. Armed Forces has ended his two-day visit to Poland.

[Correspondent Bogdan Ulka] General Shalikashvili said he was urging Poland, Hungary, Slovakia, and the Czech Republic to include their troops in the supervision of a possible peace agreement in Bosnia-Herzegovina.

[Begin Shalikashvili recording, in English fading into Polish translation] We certainly would welcome the contribution of central European countries to such an effort, just as we would welcome the contribution of, for instance, Russia to such an effort.

It would be a good thing if not only NATO, but also armies not belonging to the alliance joined in the supervision of a peace agreement, if it were concluded. For that reason too, it would be best if the central-eastern European states joined in, if Russia joined in. [end recording]

[Ulka] Generals Shalikashvili and Tadeusz Wilecki, the chief of general staff of the Polish Army [WP], commenting on Russia's threat concerning the deployment of nuclear weapons in Kaliningrad and in Belarus, acknowledged that Russia had the right to make different decisions, but should observe international treaties.

[Begin Wilecki recording] This is an element of political pressure, but in the operational-military sense; it is really not significant where this weapon is sited. It is more important where it is aimed and whether it is in a state of readiness. [end recording]

[Ulka] General Shalikashvili, giving the Polish soldiers' training a high assessment, said that the most important thing at the present time is to introduce command and communications systems which conform to NATO standards, and language training.

Joint Unit of Peace Forces With Ukraine

LD2909190195 Warsaw TV Polonia Network in Polish 1600 GMT 29 Sep 95

[FBIS Translated Text] Poland and Ukraine are to set up a joint unit of peace forces next year. It will operate under the aegis of the United Nations and the OSCE [Organization for Security and Cooperation in Europe], members of the consultative committee of Presidents' Walesa and Kuchma reported in Warsaw.

[Correspondent Tomasz Pluciennik] Within the Partnership for Peace framework, soldiers from the Krakow Military District will cooperate with the Ukrainian Transcarpathian District. We will also exchange surplus weapons as far as possible. It is necessary to build links before we are in NATO so that our partners feel safe, said Minister Ananicz [under secretary of state for foreign relations in the Presidential Chancellery].

The Ukrainian authorities do not oppose the pact's expansion to the east. They stress, however, that this process should take an evolutionary course.

Olesky on Elections, Russia, NATO, EU

BR2909155595 Madrid EL PAIS in Spanish 29 Sep 95 p 7

[Report on interview with Polish Prime Minister Josef Olesky by Angel A. Hernandez; place and date not given: "Poland Will Never Define Its Policy Under Russian Pressure"]

[FBIS Translated Text] Madrid—Forty-nine-year-old Josef Olesky, who has been Polish prime minister since 1 March, is a self-described moderate man, a social democrat who likes to engage in dialogue. In this interview with EL PAIS, he expressed his concern about the situation in his powerful neighboring country of Russia, a country where imperial echoes still sound and which Warsaw still guards as such bitter memories. "Poland will never define its policy under Russian pressure," said Olesky, who proclaimed his country's pro-European calling, ensuring that "the 20th century must end with Poland joining the EU and NATO." The Polish prime minister made a three-day visit to Madrid to talk about bilateral relations and the future of Europe.

Olesky does not like to be called a communist or postcommunist, catch phrases used by the West and even by Polish bishops. "Some of them have been saying recently that today a communist is better than a postcommunist. In my country, and in Europe in general, the term is used by the Right to frighten society," he added. "I always explain this when I talk to my Western colleagues. I even explained it to Bill Clinton. I told him: 'I am not a postcommunist, but a representative of a leftist party—the social democratic party—of which I am also vice president.'"

Olesky believed that the prospects for the Left at the next general elections were very good and he attributed his popular appeal to a number of reasons: "First of all, there was the radical transformation in my country, which gave rise to deeply rooted concerns in an unprepared society. Then there were the mistakes made by the Right, which thought it was the master of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the house in Poland with the collapse of communism. There was also the extreme poverty of major sectors of the population that saw their state aid cut."

One of the demands currently made by the opposition is that the government should adopt measures to "settle scores" with the former chiefs of the communist regime. Olesky replied that this was a "delicate topic." The most it will come to is that everyone will have to answer individually for crimes of which they are guilty. "Settling scores after six years of democracy does not make sense," he said.

When talking about his relations with President Lech Walesa, he said that they have "differences of opinion." "When we see each other we smile and we manage to stay courteous. But we have different temperaments and different ideas of democratic order. I advocate dialogue and agreement. Walesa is a fighting politician who engages in confrontation. As a person with an impulsive temperament, it is easier for him to see simple solutions to problems. I tend to make deep analyses. I have never criticized him, except when he has made wild statements." The presidential elections have been called for November and there are a number of candidates, including Walesa. "I am not going to give my opinion on that, although I obviously have one," said Olesky, who studied Spanish for five years, even though he gave his answers in Polish. Walesa has threatened to dissolve the Left-dominated parliament, but curiously all the candidates for the presidency say that they are going to do the same thing. "As if that were the only thing of concern to the people," the prime minister commented. "I have told some of them, without charging them anything, that if it occurs to some voters to read the constitution then they will reach the conclusion that they are talking rubbish. The president cannot dissolve parliament by himself."

His relations with Walesa are tense but courteous. And what about the bishops? Olesky acknowledged that the Catholic Church played an important role in the change of regime, but now it is looking for a place in the democratic process, "and that is being noted. Recently the theme of the Concordat has exploded again, and the bishops have attacked my government in an unpleasant way. They are talking about a religious war and they have been accusing us of acting against the Polish people." The prime minister acknowledged the strength of the Church and said: "We are now again in direct contact since the latest attacks."

Talking about Russia, the prime minister turned serious and dropped the smile he had kept during the entire interview. Is Russia dangerous to Poland? Olesky responded: "That depends on its internal situation. A democratic and stable Russia is a necessary neighbor and an important ally. We are oriented more toward Europe and the Atlantic, but that does not mean we are anti-Russian. I do not agree with those Polish politicians who say that Russia is only a threat. Nevertheless, Poland will never define its policy under Russian pressure, although it must try to understand that country. We cannot build up a security system by isolating the Russians."

Olesky felt that in two or three years Poland could join NATO since it is already well prepared militarily. "If things are to be fair for us then the 20th century should end with the inclusion of Poland in the EU and NATO." He did not think it necessary to hold a referendum in order to join the alliance, because 80 percent of the population is in favor. About the matter of whether Warsaw should accept allied nuclear arms on its territory, Olesky said that this matter would have to be brought up at the right time, although it would "upset the Russians' feeling of security."

Where EU membership is concerned Olesky said he had discussed the matter with [Spanish Prime Minister] Felipe Gonzalez, the current president of the EU, and Poland hoped for Spain's support because "there are many similarities in their positions." "Spain plays a crucial role in the Mediterranean basin, like Poland in central Europe. Moreover, we want to participate in the talks on the EU's future, because that affects us directly."

Ex-EU Official on Reluctance To Expand Eastward

95EP0163A Warsaw GAZETA WYBORCZA in Polish 17 Jul 95 p 9

[Interview with Alan Mayhew, former EU official responsible for EU ties to Central and East Europe, by Malgorzata Alterman; place and date not given: "Everything Depends on Germany: Today the Poland-European Union Association Council Will Deliberate in Brussels as to Whether Our Integration With the EU Can Be Accelerated. But Most Countries of the 15 Are Not Enthusiastic About Accepting New Members"]

[FBIS Translated Text] [Alterman] You have been watching our attempts to somehow gain admission to the European Union. How far are we yet from that goal?

[Mayhew] In the last two years the Union sent three important signals: The summit meeting in Copenhagen affirmed that associated countries may count on membership; the Essen summit prepared a strategy for bringing them closer to membership; and the Cannes summit accepted the white book—that is, a guide to membership. These signals seemingly convinced everyone that

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

expansion of the Union is something automatic. But that is not true: At the moment most of the EU countries, while in theory favoring that expansion, in practice view reluctantly the prospects for admitting new members from the East.

[Alterman] What countries support us?

[Mayhew] The Nordic countries (Denmark, Sweden, Finland); Austria, despite some reservations about your agriculture. Then also there are the Dutch, Great Britain, and, of course, Germany. Basically, everything depends on the support of the Germans. That is precisely why I am leaving to work with them. Unless German enthusiasm for eastward expansion of the Union declines, Bonn will push through your admission. If, however, its enthusiasm cools, expanding the Union will be much more difficult.

I am most worried by the countries which fear that their financial aid from the Union will be diverted to weaker regions, and which also fear competition from your agriculture, your steel and textiles, and, let us not forget the garden-ornament elves as well. Still other countries, such as Belgium, believe that your admission will impede the process of deeper integration of the Union.

[Alterman] Many countries fear that our admission will double the EU budget. Thus, we are worried because the German finance minister has declared that starting in 1999 Bonn will try to limit its contribution to the EU coffers.

[Mayhew] In my opinion, financial problems will be the easiest to solve. Please bear in mind that the common budget of the EU amounts to 1.2 percent of the GDP of its member countries, or 2 percent of spending on public purposes, which is really not much. Besides, the countries which have so far been the largest recipients of such aid should not count on continuing to receive these funds forever. It seems to me that this was precisely what the Germans intended to say, especially to Spain, when mentioning restrictions on their financial contributions. That is because, e.g., Ireland another recipient of such aid has become a recent example of an economic miracle.

The biggest problem now will be the reform of the Union's institutions, to be worked out at next year's conference of the member countries. The issues to be resolved are very sensitive; for example, maintaining a balance between big and little EU countries; a change in the role of current EU institutions; and lastly, a reform of common farm policy and equalization funds. That is why, the extent of aid funds for your country can be considered only after that conference is ended. And in my opinion, it will last some two years.

[Alterman] Can we Poles do anything to speed up this process?

[Mayhew] Yes, very much at that. Polish politicians proceed from the erroneous premise that the EU's expansion depends solely on a purely political decision. Of course, the final decision will be political, but it will not taken until Poland itself becomes ready for membership.

[Alterman] The EU continues to refuse providing us with a timetable for the admission of new members. Yet, such a timetable would spur both the Polish government and the Polish public to make themselves ready for the membership.

[Mayhew] The EU is shying for establishing such a timetable, which I personally consider a big mistake, out of fear that it would provide guarantees to countries which would cease to reform themselves once they receive them. Besides, how can a timetable be set, e.g., for both Poland and Bulgaria?

Still, Poland should draft its own specific strategy with its own timetable, so that your country would be ready to join the Union at the moment the negotiations for membership begin, a moment which, I suppose, will occur in 1999. Poland has really still a great deal to accomplish. For it is not enough to enact EU laws in Poland as is being done, admittedly with great success, by the Office for European Integration under the Polish Ministerial Council, under the direction of Saryusz-Wolski. What you should also do is create new institutions or reform existing ones so that the new laws may be implemented.

[Alterman] You took part in preparing the white book, which is to help us find the road to the Union. Our politicians, and especially Minister Saryusz-Wolski whom you mentioned, are highly critical of that document.

[Mayhew] Of a certainty, you should not consider it your bible. When I took part in drafting the white book, it had been intended to serve as a technical aid, not as some rigid prescription. But certain persons insisted that the Book include directives whose implementation would deprive your country at present of the possibility of competing with the Union. This concerns principally forcing Poland to adapt itself to EU standards of social policy, which would raise your production costs. This also applies to environmental protection. As a result, the white book contains, e.g., rules for breast-feeding at the workplace, or the permissible noise level for power mowers.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

But there also are good sides to the white book, for it indicates clearly to your country the nature of Community law; in time Poland has to adapt itself fully to that law. Hence even now you can already begin to prepare yourselves to implement these guidelines, including even the controversial ones.

You should yourselves decide on your priorities as selected from the white book, on bearing in mind principally that the EU needs an affluent Poland, a Poland that can maintain a 4.5-percent economic growth rate.

[Alterman] You also used to head the PHARE [Economic Reconstruction Aid for Poland and Hungary]. We keep complaining that the financial aid we receive for, e.g., investment outlays is too little, and that the complicated procedures impede its utilization.

[Mayhew] Both sides made mistakes. But I agree that the EU, in promising your country membership, should trust in the ability of the Polish government to administer aid funds and to determine on its own the priorities for their utilization.

[Alterman] When shall we join the Union?

[Mayhew] Chancellor Kohl promised you in Warsaw the date 2000. In your place, I would have made millions of copies of his statement. That is because this was the first time that the leader of the most important country in the EU has named such a specific date for your country. Thus, you should base your strategy on it.

* * *

Alan Mayhew was until May 1995 responsible within the European Commission for relations between the EU an the countries of Central and East Europe. He is moreover quite familiar with the conditions in Poland because, for a year, he was an adviser on European integration to the government of Jan Krzysztof Bielecki. Currently he will, at the invitation of the German Government, establish in Berlin a think tank to advise the chancellor how to prepare the countries of Central and East Europe for membership in the European Union.

Sejm Rejects Presidential Veto of Pensions Law

LD2909163295 Warsaw Polskie Radio First Program Network in Polish 1500 GMT 29 Sep 95

[FBIS Translated Excerpt] The Sejm has rejected the presidential veto of the revised law on the increase of pensions and annuity payments by four votes. Marek Kassa watched the voting.

[Kassa] There were 281 deputies in favor of rejecting the presidential veto, and 133 in favor of accepting it. For the veto to have been overthrown, the votes of 277 deputies would have been sufficient since at the moment of voting there were 415 deputies in the chamber. So, next year pensions and annuities will increase by 2.5 percent above the level of inflation. The increase will be carried through in September.

In the discussion preceding the vote, the law was defended by representatives of the government and the Democratic Left Alliance. Waldemar Pawlak [former prime minister], speaking in the name of the Polish Peasant Party, said the parliamentary floor group would be in favor of the rejection of the presidential veto, but he himself would support the veto. In the vote itself, Pawlak broke floor group discipline, which could mean a sharp conflict will ensue in the peasants' party. The entire opposition was in favor of accepting the veto: the Freedom Union, the Union of Labor, the Confederation for Independent Poland, and the Non-Party Bloc in Support of Reforms. Opposition deputies supported the president, who feels that the increases planned by the government are too small, and that next year pensioners and annuity-holders will find themselves in a difficult situation.

Minister of Labor Leszek Miller felt that the arguments of the president and opposition had a political character. He stressed that the proposals of the government and the coalition are the most sensible in the present reality. After the vote, government representatives were very pleased. They said that the acceptance of the presidential veto would have led to the breakdown of the finances of the state. [passage omitted]

OECD's Expectations for Poland, Schedule Reviewed

95EP0160B Warsaw RZECZPOSPOLITA (ECONOMY AND MARKET supplement) in Polish 17 Jul 95 p 9

[Article by Danuta Walewska: "OECD: The Polish Schedule"]

[FBIS Translated Text] Contacts between Polish negotiators, including representatives of individual economic ministries, and experts of the OECD (Organization for Economic Cooperation and Development) occur virtually every month, if not more often. We began to negotiate in the fall of last year. Ultimately, the decision to issue an invitation to join (this is how it is officially called) will most likely be made by the OECD in May of next year, provided, of course, that we comply with all the deadlines set. If experience is any guide, this may turn out to be difficult.

This year's outlays related to Poland's preparation for membership are estimated to come to 1 million zlotys.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

A Merciless Microscope

The following are the areas of our economic life which have been, or will be subjected to painstaking analysis: capital flows, current invisible transactions, foreign and multinational investment, tax policy, financial markets, environmental protection, industrial policy, especially as far as subsidies for the shipbuilding industry are concerned, and certain issues involving the merchant marine.

Negotiations are at a very advanced stage in most cases. However, an analysis of the course of negotiations to date made by the Secretariat for Coordinating Cooperation With the OECD at the Office of the Council of Ministers indicates that there is a danger of missing the deadlines established during the negotiations for the successive stages of substantive adjustments in specific topical areas. If this indeed happened we would become an OECD member later than we have planned.

This year, we have still to explain in detail our tax policy, in particular with regard to enterprises, and the system of operation of dividends, as well as to discuss liberalization codes. In October, we will talk about our adjustment to the OECD guidelines in the area of exchanging tax information and the so-called protection of tax confidentiality. In November, a meeting of the Financial Market Committee lies ahead which will be devoted to a review of the Polish financial markets. In December, Poland must submit its position paper on applying the guidelines for transfer price control at a session of the working group for the taxation of multinational enterprises. In December of this year and February of next year, a special session will be held which will evaluate our readiness to accede to liberalization codes and investment undertakings, including the Multilateral Investment Agreement, on which the work within the OECD itself is coming to an end. In January, our tax policy will be assessed from the point of view of its compliance with the OECD guidelines.

Expectations

In the first half of next year, we will have to draw up the final position paper concerning OECD standards in the area of employment, labor, and social matters along with the development of corresponding changes in Polish regulations. At any rate, we are expected to further liberalize the foreign exchange legislation, amend the law on companies with foreign capital participation, and [provide] conditions for free competition in the shipbuilding industry. Legal procedures involving such draft regulations should begin as early as this year. The Ministry of Finance is the department in charge.

History

On 8 June 1994, the OECD Council of Ministers resolved to begin negotiations with Poland which should result in our country joining this organization. This was the consequence of our request made on 11 January 1994. In October of last year, we filed a comparative memorandum on OECD standards and corresponding regulations in Polish law. It also included our preliminary position on our readiness and the time frame for making specific changes in the Polish legal system. The position of the Polish side expressed both in the memorandum and in the course of in-depth negotiations carried on since mid-November of last year is being analyzed and evaluated; individual OECD committees and working groups are making decisions on it.

Meanwhile, a thorough review of the accomplishments of the Polish economy was administered in Paris. The review turned out favorably, although there were some reservations. They concerned, among other things, commercialization (in the opinion of OECD experts, it amounts to the proliferation of groups managing enterprises and delays privatization). A reform of specialized banks was recommended, and the Food Economy Bank was mentioned in this reference. In other areas, the need to increase the mobility of the labor force was pointed out; it was suggested that the powers of the Antimonopoly Office, which got good reviews to begin with, be expanded. The need was pointed out to speed up the restructuring of state enterprises, especially the ones to which wage control does not apply, along with a low level of investment in enterprises. Inflation was said to pose the greatest danger.

The Czechs Will Be There Before Us

Polish negotiators admit that, in particular, the Czechs and the Hungarians who also seek membership in the organization have made very vigorous substantive efforts. They have promoted themselves well, and their diplomats have been effective. Under the circumstances, the Czechs have a good chance to become members as early as this year although, as Deputy Minister of Finance Ryszard Michalski stresses, they have not yet ensured the convertibility of the koruna in current account transactions in keeping with Article VIII of the International Monetary Fund.

Good Company and Credibility

A resolution on the allocation of funds from the general budget reserve for substantive preparations and further negotiations on our membership was passed at a meeting of the Council of Ministers two weeks ago. The funds will be administered by the general director in the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Office of the Council of Ministers who simultaneously is the coordinator of cooperation between Poland and the OECD.

Technically, membership in the OECD does not result in any privileges for us. However, just as was the case with the WTO (World Trade Organization), our membership makes it possible to join a good company of states whose economies develop in a predictable manner and which, therefore, are credible economic partners.

However, the OECD is an elite club. Twenty-five countries belong to it; Mexico was the last country to be admitted. This organization also has a group of experts who specialize in the development of economic analyses and forward their suggestions to countries on which they write reports. However, they do not have any policy powers.

For now, Poland is a so-called partner in a period of transition (Partner in Transition [given in English in the original]); we were granted this status in 1991.

Article Favors Independent Central Bank

95EP0154A Warsaw ZYCIE GOSPODARCZE in Polish 18 Jun 95 No 25, pp 15-16

[Article by Aleksander Domzal, of the Institute for Market Economy Research: "The Bank Dispute: The Stance of the Government Coalition on the Issue of Independence for the Central Bank Is a Litmus Test of Its Real Desire To Introduce Reforms"]

[FBIS Translated Excerpt] For more than a year now, we have been witnesses to a lot of controversy associated with NBP [National Bank of Poland] operations. This was the case, for example, with the issue of affiliation of bank supervision or, lately, with the issue of interest rate levels and the floating of the zloty. It does not appear that these disputes are rooted solely in issues of an economic nature. The manner in which these disputes have been aired indicates that they are rather about jurisdictional issues.

A reform of the banking system, including a change in the role of the central bank in the process of making the economic policy of the state, has been one of the most significant and most spectacular changes to occur in our economy in recent years. The dismantling of the monobank, i.e. of the arrangement whereby the NBP virtually did not enjoy autonomy in the process of formulating its policy, began at the end of the last decade. In late January 1989, a new banking legislation was adopted which outlined the current format of the bank. At a later time, the law on the NBP was amended, along with some other laws affecting its operations. As a result, the NBP became a highly independent institution which is a coauthor of economic policy. If nothing else, the position of the bank is symbolized by the fact that the term in office for the NBP chairman comes to 6 years whereas that of the prime minister to four years and the president of the Republic of Poland to five years.

Therefore, in the banking sector we have, within several years, accomplished a leap from a model typical under the socialist system to arrangements characteristic of highly developed modern capitalist countries. The latter have discovered that, although the independence of the central bank may appear to hamper the process of current economic management by the government in the short term, in the longer term it makes it possible for a nation to achieve better economic performance than is possible in the case of a central bank subordinated to the government (the Ministry of Finance). [passage omitted]

Therefore, it was very good for the NBP to be granted a considerable degree of autonomy as early as the first stage of laying the foundation of the market economy. This autonomy should be mandated by a relevant provision in a new Constitution of the Republic of Poland. However, so as to avoid misunderstandings, it should be said clearly that the central bank's independence or autonomy do not mean that it should be subject to no control. Quite the contrary, in a democratic state the central bank, just as any entity influencing public life, should be controlled by the public. In this instance, the key issue is to "arrange" the independence of the Central Bank in such a manner as to simultaneously retain the benefits resulting from its autonomy. The Monetary Policy Council, an arrangement proposed by our central bank in the draft new law on the NBP and patterned after the Bank of France, may become such a favorable arrangement. It provides for the council to be responsible for the format of pursued monetary policy; the council would consist, along with three representatives of the central bank, of six representatives of various communities (two designated by the parliament, the government, and the president each). The latter would also gain considerable independence from those nominating them upon their appointment which would be reflected, among other things, in the length of their term in office (six to nine years).

Unfortunately, it is uncertain that events will develop in this direction. Some of the latest statements of government representatives suggesting that inflation should be controlled through reductions in interest rates clearly indicate that, as far as the good of the country is concerned, the central bank should have a considerable degree of autonomy. However, many representatives of the ruling coalition are still having trouble getting used to this institutional arrangement.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Public opinion surveys (see RZECZPOSPOLITA of 9 May of this year) appear to indicate that the public has an intuitively better understanding of it than some of the current representatives of supreme state authorities. In a sense, the stance of the ruling coalition on the issue of independence for the central bank is a litmus test of its true intentions as to reforms.

State Role in Bank Ownership Seen Steadily Waning

95EP0154B Warsaw NOWA EUROPA in Polish 26 Jun 95 p 19

[Article by Zbigniew Dobosiewicz: "Privatization Is Accompanied by the Normalization of the Banking System; Role of State Decreases"]

[FBIS Translated Text] When a radical reform of the Polish banking system began (1988 and the beginning of 1989) all Polish commercial banks were state-owned (in this instance, we do not count the Food Industry Bank among commercial banks).

Between mid-1989 and the end of 1992, the process of mass creation of banks occurred; more than 60 of them were established. Out of this, more than 40 were formed by state enterprises and institutions, a dozen or so were formed as banks of the state treasury, and only a few were controlled by private capital to a decisive degree from the very beginning. The Leonard Private Commercial Bank was the first bank started by individuals (other banks, primarily Gecobank, have gradually assumed control over the capital of this bank); several banks controlled by private companies also appeared.

The First Failures

It so happened that most banks started by private entrepreneurs in 1990 and 1991 subsequently fell on very hard times which brought about their failures (and, most frequently, their revival under a new management). For example, such was the fate of the First Commercial Bank in Lublin founded by D. Bogatin which is now 99 percent owned by the National Bank of Poland. Among others, the large Posnania bank controlled by the Elektromis private group failed. The difficulties of most of these banks were entailed to a considerable degree by the personalities of their owners and the policies of the enterprises they controlled.

We can estimate that overall about two-thirds of the Polish banks have been founded by state enterprises and institutions. Let us look at the makeup of statutory capital of a few selected banks. Three state enterprises were the principal partners in the Glob Deposit and Fiduciary Bank SA: TH Electrim (56 percent), the PZU [State Insurance Bureau] (17.7 percent), and the PKS [State Motor Transport] (16.8 percent); only 3.2 percent of the stock belonged to individuals. The principal partners in the Bank of Socioeconomic Initiatives were as follows: the Labor Fund (62.68 percent) and the Industrial Development Agency (19.18 percent). The National Environmental Protection and Water Management Fund owned 49.5 percent of the Environmental Protection Bank, Megadex 7 percent, Elektrim 6.7 percent, the General Directorate of State Forests 6 percent, Ciech 9 percent, and Polimex 5.5 percent; the Polish Postal Service held 51 percent of the stock in the PPUP Postal Bank, and Polish Telecommunications 48.91 percent. The Czestochowa Bank was founded by the Czestochowa Iron and Steel Works which to this day owns a 45.8-percent share in it.

Commentaries on the actual results of the above state of affairs have differed. According to optimists, state enterprises and institutions behaved in a manner similar to private owners; they looked upon contributions to the capital of banks as financial investment and expected to generate the highest possible profits, as well as benefits of other kinds (for example, efficient services to their enterprises, certain loan privileges, and so on). According to pessimists, reality was often more complex; the members of management of many enterprises, funds, etc. took cushy jobs on the boards of trustees of banks, received bonuses, and did contract work, attaching far less significance to the financial performance of banks. Judging from reports in the press, the latter view which was widespread in the community was unfair only with regard to some of the partners.

Two Processes

In 1992 and 1993, two processes began which have brought about a gradual change in the situation. First, a considerable proportion of state enterprises which held bank shares were gradually privatized. Elektrim, Warta, Universal, Stalexport, Agros, and a few dozen other privatized enterprises tipped the scale in several banks which now already belong mostly to private capital. Second, new issues of stock carried out by banks were to a considerable degree acquired by private enterprises and individuals due to which private capital became a majority in a few more banks (for example, the East European Bank). These processes continue. Since for the most part this involves banks whose stock is not quoted on the exchange, changes in the makeup of capital are not necessarily "aired"; however, they occur in a virtually uninterrupted manner.

Privatization processes will become increasingly rapid because very often banks are shareholders in other banks. It may be expected that as soon as 1997 the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

state treasury will lose control over more than one-half of the banks in which it accounted for a majority of capital (directly or indirectly) in the early 1990's.

Initially, the process of privatization involved mainly small and medium-size banks. As recently as 1992, large state-owned banks accounted for a considerable majority (over 80 percent) of the equity of Polish commercial banks; their standing with regard to the balance-sheet totals of commercial banks was also similar.

Large Banks

Privatization of large state banks began in 1993. It is effected through the sale of their stock by public offer in combination with making the stock exchange-traded. So-called small savers purchased most of the stock thus issued. However, sizable blocs of shares became the property of large investors, underwriters, and enterprises which viewed acquisition of primary issue stock as an advantageous investment of capital (including foreign enterprises and the Pioneer Trust Fund). In all cases, the state treasury retained significant blocs of shares (for example, about one-third of the first issue of shares of the Bank of Silesia). However, the capital participation of the state treasury has diminished as a result of the subsequent public offers and the sale of a portion of state-owned stock on the exchange.

The state treasury has a choice of several methods for privatizing a bank:

—selling all the stock offered through public subscription or on the exchange;

—reserving a portion of the stock for a strategic investor and selling the rest to small holders through a public stock issue;

—selling large blocs of shares to selected investors and selling the rest through a public stock issue.

The Credit Bank of Great Poland was the first large state-owned privatized bank whose stock is quoted on the Warsaw Securities Exchange. This happened in April 1993. The European Bank for Reconstruction and Development purchased a considerable proportion of the shares (currently, 23.9 percent). In early 1994, a public issue of the Bank of Silesia stock took place which preceded trading on the exchange in this stock. The Dutch ING Bank which purchased almost 26 percent of the stock became the strategic investor. A few months later, a public issue of the stock of the Bank for Economic Initiatives took place. Private enterprises held a considerable proportion of interest in the capital of the Export Development Bank even before the public issue associated with its appearance on the exchange. The Commerzbank became its strategic investor a few months ago (21 percent of the stock); sizable blocs of shares belong to two enterprises: the Realbud construction company from Krakow (5.6 percent of the stock) and the Galtex trading company from Lodz (5 percent of the stock).

Also, in 1994, the stock of the private First Polish American Bank (principal partners as of the beginning of 1995: the PAFP [Polish American Entrepeneurship fund] 32.9 percent of the stock, the Enterprise Credit Corporation 29.3 percent of the stock, the Industrial Development Agency 17 percent) began to be traded on the exchange, and on the parallel exchange market—that of the American Bank in Poland (Amer-Bank) with dispersed capital.

Beginning to Trade Stock on the Exchange

The process of privatization in combination with the simultaneous beginning of trading in bank stock on the exchange is continuing. It was resolved to start trading on the exchange in the stock of three state-owned banks: the Polish Development Bank in which the state treasury used to hold almost 73 percent of the shares, the Industry and Commerce Bank (100 percent state-owned in 1994), and subsequently the Bank of Gdansk (also 100 percent state-owned). The Universal Credit Bank is also being readied for privatization. In the case of the Industry and Commerce Bank, the main investor is the European Bank for Reconstruction and Development which, as an underwriter, had to purchase about 15 percent of the stock.

The public issues of bank shares are not necessarily successful. This was apparent in the case of the Polish Development Bank when only a small proportion of the shares offered was sold within the framework of the issue. As a result, upon the completion of the issue in March 1995, the state treasury still held about 62 percent of the stock, and the state Agency for Industrial Development 16 percent.

In May 1995, the state treasury represented by the Ministry of Finance and the NBP [National Bank of Poland] continued to fully control the capital of three of the four largest Polish banks (the PKO State Bank, the Bank of Commerce and the PEKAO SA); it has over 50 percent of the shares in the fourth bank (the Food Industry Bank), as well as controls 11 out of the 17 remaining large banks. Private enterprises and banks (including foreign) and individuals own more than one-half of shares of the Credit Bank of Great Poland, the Bank of Silesia, the Bank for Economic Initiatives, the Bank of Industry and Commerce, and Credit Bank. Private owners also account for more than one-half of the stock in most small and medium-size banks.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Processes at an Advanced Stage

There is no doubt that privatization processes in Poland are far advanced. It can be estimated that the private sector already controls banks which account for about 40 percent of the equity of all Polish commercial banks (without the Food Industry Bank), compared to about 25 percent at the end of 1993. There are reasons to believe that this share will exceed 50 percent in 1996. Given the sums going into trillions which are involved, the rate of transformations in banking can be considered a success.

Without a doubt, the success of privatization would be considerably greater if it were not for massive assistance granted by the state to state banks in recent years which discriminated against private banks. For example, had private banks received just one-third of the restructuring bonds (that is, in the amount of 12 trillion old zloty), all statistics describing their operations would have immediately become impressive, and their equity and balance-sheet totals would have been considerably greater.

Of course, the above data on privatization is not unassailable. The example might be mentioned of the National Bank of Poland which is gradually building a "banking empire" of its own, actually nationalizing private banks by taking control or assuming interest in failing banks. It owns not only 100 percent of the Polish Investment Bank which the NBP has created, but also almost all of the stock of Prosper Bank and the First Commercial Bank in Lublin; in turn, the latter have assumed control over a chain of a few other failing banks (including the Economic Bank of Lower Silesia, the Construction Bank SA, the Bydgoszcz Communal Bank, and the Merkury Commerce Bank of Poznan). The NBP has also taken over 48.5 percent of the stock of the BIG Bank (the former Development Bank of Lodz), but only for the duration of rehabilitation proceedings. The NBP also owns 24.5 percent of the Budbank. However, the growth of this NBP "banking empire" has been causing great problems for it; therefore, it is not surprising that various scenarios for its privatization are being considered.

Dispersed Holdings

Private holdings are dispersed in many banks which we consider controlled by private capital because individuals and private enterprises own more than 50 percent of their stock. The state treasury could theoretically influence the course of general meetings of shareholders decisively, being in possession of about 30 percent of the stock of the Bank of Silesia. Likewise, four state enterprises which in combination own more than 30 percent of the capital of the Bank for Economic Initiatives could control this bank. However, these are merely theoretical stipulations; in most banks, the behavior of the state treasury is that of a passive investor whereas time is inexorably on the side of the private sector. Subsequent stock issues will keep reducing the interest of the state. The state may also be expected to want to sell some of its stock on the exchange, just as happened, for example, with the Bank of Silesia (this will not result in protests if it happens when exchange quotations are on the rise).

The state will be a co-owner of a significant portion of banks for a very long time to come; however, its role in the area of ownership rights and in the process of decisionmaking will diminish. Along with privatization, the Polish banking system is being normalized; the effectiveness of bank operations is improving while at the same time competition among the banks mounts, posing a threat to the interests and even the existence of the weaker ones. In the process, foreign banks become an increasingly important element of the Polish banking system.

Continued Growth of Hard Currency Reserves Noted

95EP0161B Warsaw GAZETA BANKOWA in Polish 16 Jul 95 No 29, p 2

[Article by (HB): "Hard Currency Reserves Remain High: They May Counteract Rise in Imports"]

[FBIS Translated Text] Although hard-currency reserves keep growing, they are doing so at a slower rate, which in the opinion of the NBP (National Bank of Poland) is due to the decision, taken two months ago, for a [limited] float of the zloty, which has resulted in reducing the interest of foreigners in purchasing short-term Treasury securities.

As to the effect of the stronger zloty on foreign trade, that will become known at the earliest two or three months hence. As before there are no signs of a decline in exports, both the official and cross-border ones. Even now, however, the NBP is sending signals that payments for imports are rising. Nevertheless, official reserves of foreign exchange—which at the end of May exceeded $10 billion, tantamount in value to 5.5 months of imports—are so high that it will be possible to repay ahead of schedule the $1 billion which the IMF had lent us last fall to finalize the agreement with the Club of London. In addition, this year other creditors will have to be paid ca. $2.5 billion. Payments next year will be at a similar level, and for this reason the continuing influx of foreign exchange seems a favorable trend.

As for the difficulties which the increase in foreign-exchange reserves is causing to monetary policy, the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

NBP wants to neutralize them by, among other things, delaying—which requires amending the Foreign Exchange Law—the resale by enterprises of the foreign exchange they have earned from exports. It is safe to assume that this measure will be effective chiefly as regards those exporters who at the same time also are importers. As for the others, they will anyhow surely sell foreign exchange to commercial banks (which in their turn will sell it to the NBP) soon after it is deposited in their accounts.

The central bank (the NBP) also wants to restrict purchases of short-term Treasury securities by foreigners. That is because, although interest in these securities has by now peaked—between 15 April and 22 May the resulting revenues totaled about $500 million—purchases of this kind seem troublesome in view of their unpredictability. Thus, the NBP is proposing either administrative restrictions on access by foreigners to the market in such securities or a special tax on income from them. That would of course mean a decline in demand for these securities, which can hardly please the Ministry of Finance since it is financing the budgetary deficit chiefly from that source.

This issue is besides just one of the various bones of contention between the central bank and the Ministry of Finance. The ministry insists, e.g., on reducing the rate of creeping devaluation of the zloty to 1.0 from 1.2 percent monthly, as well as on reducing interest rates. But in the NBP's opinion, slowing down the creeping devaluation would require reducing the yield on Treasury securities, and room for such a maneuver may appear only in the fall—on condition that the inflation rate will continue to decline and the interest rates charged by the central bank will again be positive in real terms.

Attempted Money Laundering at Warsaw Bank

95EP0166A Warsaw WARSAW VOICE in English 16 Jul 95 No 29, p 13

[Article by Lidia Sosnowska-Smogorzewska: "Trying To Get the Gray Out"]

[FBIS Transcribed Text] Six suspects are being held by Warsaw police after attempting a massive bank deposit of 15 zlotys [Z] million made from the sale of smuggled electronic equipment. At the end of April, the accused attempted to put the money in at least two different Warsaw banks, in order to conceal the money's origin. Five of the suspects are Warsaw residents, and one is a Ukrainian without papers.

It is the first case of money laundering in Poland that the police have managed to uncover. According to Warsaw Police Headquarters, the gang has more members and at the end of June, an arrest warrant was issued for another suspect, a resident of suburban Zabki.

There is evidence that money laundering in Poland is a large scale crime. "I can't confirm it, but Poland does create favorable conditions for this kind of crime to develop, and the rate of police intervention is still very low," said Ryszard Kucinski from Warsaw's Prosecutor's Office.

The act on protecting economic turnover was passed six months ago, and was designed to create legal regulations enabling prosecution of the increasingly serious economic crimes here. According to many entrepreneurs, the new act hasn't been in force long enough to be evaluated. The prosecutor's office seems to agree. Kucinski says that so far, only two act articles have been put to use: Article 1 on irresponsible economic management and Article 5 on money laundering. In his opinion, even though the act was a big step forward, it doesn't fulfill its creators' hopes.

The fact that Article 1 gives the authorities the power to prosecute irresponsible economic management in state-owned as well as private companies is an important advance. Yet the language used in Article 5 to specify what types of crime can generate dirty money obstructs the work of police, narrowing its field of activity.

"As a result, we still have to rely on the penal code's Article 215 on fencing stolen goods," said Kucinski. He added that even the best of acts are not able to change much in this respect. Current banking laws, especially the bank secrecy act, seriously deter the work of the police by putting them in a Catch-22: In order for a bank to reveal information protected by the secrecy act, the prosecutor's office has to present evidence against the person in question—yet "we usually don't have any concrete evidence and it is precisely the suspect's bank account that can prove them guilty," says Kucinski.

Under special circumstances, the bank agrees to unofficially inform the prosecutor's office about the suspect's bank account. If the bank becomes suspicious about the origin of any deposits, it has the right to violate the secrecy law and turn to the prosecutor's office. This is what happened in the electronic-goods smuggling case. Yet according to Kucinski, banks are rarely interested in determining the origin of even large sums of money (this also applies to broker's offices). In fact, such clients are rewarded with slightly higher savings-account interest rates.

Laundering still happens, despite a decree passed by the president of the National Bank of Poland in October 1992 on what should be done when cash from

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

criminal activities is found in a bank—every client depositing over Z20,000 should be listed with the relevant authorities, but it doesn't happen. The banks' growing concern with their reputation might change their attitude. "Nobody wants to be labeled as the dirty money launderette," said Kucinski. So banks have created special departments to monitor accounts.

In order to increase the effectiveness of crime detection, authorities will have to reorganize the work of Treasury offices, the police and customs officers, coordinating those institutions and facilitating information exchange between them. At present, however, Treasury offices are more inclined to prosecute those who can't explain where they got the money to buy new wood paneling for their living room instead of those who deal in millions of illegally earned zlotys. After 1989, many police economic scandal experts moved to economic intelligence institutions, or started working in bodyguard agencies. Now police departments must build economic-crime departments from scratch.

Information exchange isn't very efficient, either. Signs of the possible laundering of money could be expected from local government—buying land is a convenient way of "cleansing" cash. Yet according to Kucinski, awareness of the harm done by economic crime is still very low in Poland, and state officials are among the least aware.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily on 'Duplicity' of Iliescu's U.S. Visit

AU0110202795 Bucharest ADEVARUL in Romanian 26 Sep 95 p 1

[Editorial by Cristian Tudor Popescu: "Crossing the Atlantic in Two Boats"]

[FBIS Translated Excerpt] President Ion Iliescu's visit to Washington is undoubtedly a success per se. Only those who have forgotten the frozen distance that separated Cotroceni [presidential palace] from the White House in 1990 and 1991—when even an "accidental" meeting between Ion Iliescu and George Bush was considered a triumph—can deny that. In order to be able to cover the distance to the White House, Ion Iliescu did not let any opportunity slip by and accepted even second rate meetings with Bill Clinton, like the one occasioned by the inauguration of the Holocaust Museum in Washington in April 1993, or the meeting at the Waldorf Astoria Hotel in New York in September 1994. He had to struggle not only with the U.S. reticence, but also with the gibes of the opposition (which scoffed at him claiming "that he was only received at the hotel, like a poor relation") or the grunts of the "red Romanians" (who thought "it was a shame to go there to be only received in the hotel!"). He may not have it all that easy even now, since he is going to face some protest demonstrations planned by certain groups of Romanians from the United States. The working level of the visit represents the last step toward an official state visit, a peak level only reached by Walesa and Havel from among the East European chiefs of state. However, for his resolute endeavors to bring Romania into the Western orbit, coupled with his abandonment of personal pride in favor of the country's interests, President Iliescu deserves all our regard.

The protocol of today's meeting does not provide for any strict agenda, with Messrs. Clinton and Iliescu being free to tackle any subject they may deem fit. If we are to believe the statements made by Mr. Iliescu before his departure to the United States, the most likely subject to be brought up by the chief of the U.S. Administration may be the state of the weather. "Today's Romania has no connection whatsoever with Ceausescu's former Romania, with the monopoly of the single party, with the totalitarian regime, and with the lack of any freedom of expression or emigration. You will find in Romania the same freedoms as in any other democratic country," Mr. Iliescu assured us in his statements. [passage omitted] But is that really so?

Last summer, both chambers of the Parliament passed the Law on Nationalized Houses. Following the non-constitutionality objections of the Constitutional Court, which found two minor flaws, the law is being rediscussed in Parliament today. Through this stratagem, the president is being given the possibility of answering a possible Clinton question in this connection by invoking that "the law has not been approved, it is still being debated." But then, we know that the "debate" will conclude very rapidly once his visit to the United States is over. Moreover, Mr. Iliescu can also invoke a draft bill—which, as coincidence would have it, was finalized exactly last week—on returning some community assets (theaters, churches, and so forth) to certain ethnic and religious minorities, primarily Jews and Greek Catholics. However, none of this can make us forget the basic evil of this scandalous law, namely the violation of man's basic right to property. Of course, nobody should permit the current tenants to be thrown out of their homes. On the other hand, to allow them to buy (under very convenient conditions) the houses forcefully appropriated by the communist regime from their owners, is an act that would leave not only the U.S. President dumbfounded, but also the chief of state of Botswana. [passage omitted]

Mr. Iliescu keeps talking about the freedom of expression. In what democratic country is the punishment for a press violation more severe than for common crimes? In what democratic country are invectives against the "close relatives" of dignitaries more severely punished by law than offenses against the dignitaries themselves? Maybe in the United States? These are nothing but defiant manipulations of the Penal Code by the members of the Chamber of Deputies, so that they can go about their swindles in peace and shut down the mouth of the press. [passage omitted]

Meanwhile the Senate, not wanting to be outdone by the Chamber of Deputies, is discussing a draft Law on State Secrets initiated by Senator Stefan David, former Securitate chief in Caras-Severin, accompanied by the declared enemy of the press Senator Ion Predescu and by Radu Timofte, the very head of the Senate's Defense Commission. To be in tone with the provisions of this draft bill, Mr. Iliescu may as well recommend himself at the White House as Ceausescu's substitute. Nothing is missing from this devilish draft, which stipulates that everything moving in this country will become a state or service secret: The Securitate agents will again be omnipresent, in groups or solo; the denouncers are encouraged to become active; and the telephones will be tapped. [passage omitted]

And, in case you thought that would be all, you would be wrong. After all, we have a government, too, do we not? Interior Minister Doru Ioan Taracila also had something to suggest, namely a draft bill that stipulates prison terms of up to six months for "initiating or setting up a group of persons, with the aim of committing illicit

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

acts which are contrary to the legal order and behavior norms" and for "encouraging and supporting in any way such groups which incite to social disorder." How does that article differ from the "attempt on the social order," for which one used to be punished to harsh years in jail by the communist regime?

I do not know whether Mr. Clinton will tackle these subjects in today's meeting or not. What is certain is that President Iliescu's visit to the United States takes place under the sign of a profound duality, not to call it duplicity. On the one hand, there is the attempt to ingratiate oneself with one of the strongest Western liberal democracies; on the other hand, there is the stifling of democracy and the freedom of expression at home, so that the new nomenklatura can swallow everything, without being hampered by the only real opposition in Romania, namely the independent press. (For the irresponsible press campaigns of certain newspapers, they should of course be held accountable all the way. Nevertheless, there is a difference between a sheer lie and an opinion offense, which can be easily construed as calumny) The two attitudes appear to me as irreconcilable. Sooner or later, President Iliescu will no longer be able to resort to the ducking technique he is a master at and will have to make his choice. In saying this, I dare to exclude the hypothesis that the president will let himself be tempted by the precedent created by Ceausescu, under whose rule the West did not care too much about what was going on in Romania, because it had no interest in it...

Interior Troops Halt Fuel Smuggling to FRY

AU0110195395 Bucharest EVENIMENTUL ZILEI in Romanian 27 Sep 95 p 10

[Article by Iota Dolici, Dan Bereanu, and Moise Guran: "At Last, Forces of the Ministry of Interior Stopped the Fuel Smuggling at Clisura Dunarii"]

[FBIS Translated Text] A joint action of the police, border guards, firemen, and other forces has been in progress in Caras-Severin County since 18 September to stop the general lawlessness in the Moldova Noua area generated by the smuggling operations at Clisura Dunarii.

The announcement that General George Ioan Danescu, deputy minister of interior, was to arrive in the area on 19 September had placed the entire personnel of the local police on a state of alert. Patrols began stopping all fuel tankers and diverting them to their end destinations or side streets, so as to get them out of the sight of the distinguished guest. To the exasperation of those involved in the famous fuel smuggling to former Yugoslavia, the rumor spread in Clisura that, because of the visit, the firemen were going to check each fixed or mobile gasoline pump as well as their legal status. The confirmation of this rumor came very fast and the balance sheet of the firemen was stupefying: Instead of the known 51 gasoline stations, they discovered 123 in operation all in all, with 88 in the border area alone. Many of these stations were set up and operated illegally, but with the knowledge of the local councils and mayors; 60 stations only had rudimentary documents, while 12 had no documents whatsoever.

General Danescu Reproached the Clisura Dunarii Mayors for Passivity and Failure To Observe Extant Laws

From the first day of his presence there, Gen. Danescu held a meeting at the Caras-Severin Prefect's Office and accused the county's mayors of failure to involve themselves in combating the fuel smuggling toward former Yugoslavia, of passivity, and of nonobservation of extant laws.

The firemen, policemen, and prosecutors present at the meeting joined Gen. Danescu in taking the mayors to task for having leased out terrain without auctions, for failing to check whether the hundreds of gasoline pumps that sprung up in the region had legal building licenses, for having tolerated the existence of nonregistered vessels used for smuggling, and for having allowed the transport and improper storage of hundreds of metric tons of gasoline. The deputy minister of interior then urged the mayors to "apply the law and the Constitution."

The Commander of Border Guards From Moldova Noua Was Dismissed

As of Wednesday, 20 September, the Clisura Dunarii policemen began a series of searches for illegal fuel hoarding at the homes of the inhabitants.

The massive presence of the police has reduced the fuel traffic in the area to nil. Scores of gasoline stations are now full to the hilt and their owners are obliged to turn back any trucks bringing further fuel.

More than 320 metric tons of fuel and over 2,000 boats belonging to smugglers have been confiscated so far; 900 fines were issued, totalling over 10 million lei. Eleven people were arrested for 32 violations, the majority of which are linked to smuggling and fiscal evasion.

Major Ioan Mutuzac, commander of the guards battalion stationed in Moldova Noua, was dismissed from his post for failure to halt the spreading of fuel smuggling across the border to the Serbs during his tenure at the head of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the battalion. The decision was taken by Gen. Danescu, following investigations on the spot.

The tension caused by this operation of the Ministry of Interior forces has led to several acts of violence, since the people who were investigated protested in a more or less civilized way. In the Berzeasca commune, clashes were reported last Wednesday between the policemen and the villagers, who resisted having their homes searched. At the home of Marin Cotan from Pescari village—the man is currently under arrest—the police found a defensive grenade. Lieutenant Colonel Ioan Strain, head of the Caras-Severin County Police Inspectorate, warned at a news conference about the danger of arms and drugs being introduced in the area, through the fraudulent crossing of the border.

Therefore, the fuel smuggling at Clisura Dunarii has stopped for now. The smugglers are waiting for the departure of the deputy minister of interior from the area and for things to calm down.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Delegation Receives Document on NATO Expansion

AU2909092395 Ljubljana Radio Slovenia Network in Slovene 2100 GMT 28 Sep 95

[FBIS Translated Text] The Slovene delegation, led by State Secretaries Golob and Vidrih, attended the presentation in Brussels today of a NATO study on the reasons and conditions for the admission of new members. Edo Zitnik reports:

[Begin recording] In his two minute speech made upon the receipt of the document State Secretary Golob emphasized that Slovenia's ultimate goal was full NATO membership. He said that we appreciated the achievements of the Partnership for Peace and that it was in our interest to be more contextually engaged in it and carry out our tasks appropriately.

According to State Secretary Vidrih it became clear with today's document that Slovenia, too, must adjust to NATO standards as much as possible. Over the next three years we are supposed to make adjustments in the realm of headquarters procedures, language standards, logistics, and readiness of units for joint activities.

The purpose of the document, about which the media reported last week, is to explain the reasons for NATO's expansion and admission of new members to NATO's Partnership for Peace—candidates for full membership. The study emphasizes that the new members will enjoy a status similar to that of Norway. This means that nuclear arms will not be deployed on their territory and they will not be under obligation to host foreign soldiers in peace time. However, they will have to have an appropriate infrastructure and command system for both of these. All new members will be under the so-called NATO nuclear umbrella. The admission of new members will be gradual and each case will be studied thoroughly individually. There is supposed to be a certain synergy between expansion of the European Union and NATO, although this does not mean automatism, according to NATO Secretary General Claes.

After today's meeting, Claes reiterated that nobody had the right to veto the admission of new members. Namely, prior to that Russian Ambassador Churkin had stated that he could not say that the document was not a big step forward with regard to NATO's dispute with Moscow over expansion. However, this is still not enough for Moscow. [end recording]

Thaler Deems Talks With Agnelli 'Step Forward'

AU3009210195 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 30 Sep 95

[FBIS Translated Text] As we have already told you, Foreign Minister Zoran Thaler for the second time met Italian Foreign Minister Susanna Agnelli in New York last night. The two diplomats continued their dialogue on Slovene-Italian relations, particularly on some open issues. Here is a report from New York by Uros Lipuscek:

[Lipuscek] Following the meeting that lasted more than one hour, Slovene Foreign Minister Thaler said that yesterday's talks mean a step forward, that they were useful, and that they confirm that the dialogue is not in a deadlock.

The two ministers will continue their talks at the coming meeting of the central European states' prime ministers and foreign ministers in Warsaw. Susanna Agnelli expressed readiness to visit Slovenia in the foreseeable future, which obviously announces a better atmosphere in bilateral relations.

The two meetings have established, Thaler said, that the two countries have realized that solutions should be sought within the mechanism of the Rome Accord of 1983, which denies any doubt in the legal basis of our relations. According to Minister Thaler, the Italian side also submitted proposals regarding the position of the Slovene minority in Italy, which Slovenia considers to be a primary bilateral issue. Minister Thaler proposed for the Italian side to select, from the long lists that Slovenia presented as proposed joint documents, certain specific moves and measures concerning minorities, which would show that Italy, being a democratic country, also wants the Slovene minority there to feel good.

As regards the main disputable issue, that is, the former property of the optants [Istrian Italians repatriated after World War II], which, as Minister Thaler said, the Slovene side regards to be unnecessary and fabricated, it was said that it should be solved within the 1983 Rome Accord. The Slovene delegation considers this to be one of the most important decisions made at last night's meeting. The Italian foreign minister will open a debate on this issue in the Italian Parliament.

The decision that the two countries will continue dialogue on these bases represents a step forward. The Slovene foreign minister thinks such an approach involves the possibility of taking bilateral problems off the agenda.

As regards the second meeting with the Italian foreign minister, the Slovene delegation harbors slight optimism that the negotiations can go further on.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Government Negotiates Bosnian Repatriation Accord

AU2909202195 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 29 Sep 95

[FBIS Translated Text] The Slovene Government at yesterday's session adopted an initiative to sign an agreement on organized repatriation of the Bosnia-Herzegovina citizens who have found temporary shelter in Slovenia with the Bosnia-Herzegovina government. The initiative for signing this agreement came from Sarajevo. More about its contents in a report by Jolanda Lebar:

[Begin recording] Currently there are 20,000 persons under temporary shelter in our country, all of which fled from Bosnia-Herzegovina. The agreement between the countries is supposed to define exactly under what conditions and in what manner the persons under temporary shelter will be repatriated. When the situation in Bosnia-Herzegovina is sufficiently safe and the reasons that caused the people's flight are removed, the refugees will leave our country in three ways: In an organized manner in a convoy that will be organized and paid for by the Slovene Government, by moving into a third country, or by regulating their residence in Slovenia in conformity with the Law on Foreigners. Milos Sustar, director of the government Immigration and Refugees Bureau, says that the latter group will probably be the smallest, as applicants will first of all have to obtain a work permit.

The Slovene side assesses the current situation in Bosnia-Herzegovina as unfavorable for the return of the refugees as yet. This includes the territories recaptured by the Bosnian Government, from which 7,000 persons have fled.

The Bosnian side is very interested in the speediest possible signing of this agreement. It has already signed similar agreements with Austria and Croatia; however, according to Milos Sustar, these agreements are much more vague than ours.

The organized repatriation of 20,000 refugees will cost our country approximately as much as their care for two and a half months. The initiative for signing the agreement will first be debated by the State Chamber commission for international relations. Intensive talks between the countries will follow. It is envisaged that the parliament will ratify it by early next spring. [end recording]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Federal

Milosevic, Holbrooke Discuss Cease-Fire

LD0110112295 Belgrade TANJUG in English 1110 GMT 1 Oct 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, Oct. 1 (TANJUG)—Chief U.S. negotiator for Bosnia Richard Holbrooke left Sunday for Zagreb after Saturday's talks here with Serbian President Slobodan Milosevic on a ceasefire in Bosnia.

Milosevic and Holbrooke stressed the significance of the success achieved so far in the peace process, adding it was necessary that the international conference on the former Yugoslavia be convened soon, said a statement released by the president's office.

The talks focused on defining solutions for issues encompassed in the comprehensive peace plan for Bosnia, said the statement.

Before his departure for Zagreb, Holbrooke said the talks had again been beneficial, but did not reveal any details.

He said the positions of the warring sides were widely apart regarding many territorial issues, and on the question of the body of authority of the future Bosnia, which comprises two entities—the Bosnian Serb Republika Srpska and the Muslim-Croat Federation.

Holbrooke said both sides wanted a ceasefire, but did not know how to implement it.

After talks with Croatian President Franjo Tudjman, Holbrooke leaves for a brief visit to Sofia, and is due on Monday in Sarajevo for talks with Muslim leaders. From Sarajevo, Holbrooke arrives in Belgrade anew.

Milutinovic: B-H Wants To Delay Peace Process

AU2909173995 Belgrade Radio Beograd Network in Serbo-Croatian 1558 GMT 29 Sep 95

[Interview with FRY Foreign Minister Milan Milutinovic by Tamara Motrenko in New York; date not given—recorded]

[FBIS Translated Text] [Motrenko] Dear listeners, our special guest today is Milan Milutinovic, foreign minister of the Federal Republic of Yugoslavia. Good day, Mr. Milutinovic, and allow me first to thank you for agreeing once again to be a guest of Radio Belgrade.

You came to New York some five days ago for further talks and agreements on the establishment of peace in Bosnia. However, in the past four days you have also engaged in several bilateral and multilateral activities; we can say that all the international media and of course our public are following with great anticipation all your meetings in the Palace of Nations on the East River, that is, in New York. What are your impressions of your extremely significant New York visit?

[Milutinovic] Well, my impressions coincide with your question. Essentially, there is very little for me to add. The main thing is that all my collocutors are aware of what happened, that the expectations are great and, of course, they all want to know what is next. There are obstacles on the road to what is next, but I do not think that they are unsurmountable; the first obstacle is a cease-fire agreement and I believe that, once that is agreed and a document signed by all the interested parties, the United Nations and the UN Protection Force, we shall then be able to breathe more easily; namely, many do not want this initial agreement to be signed, primarily the Muslim side [Bosnia-Herzegovina Government (B-H)] because they want to stall and thus put off the peace process indefinitely. I think that this is one of the serious obstacles, which I hope we shall be able to surmount towards the end this week and the beginning of next week. I hope that this in itself will fully open the way to a peace conference, which will probably be organized after the agreement is signed or while it is being negotiated.

[Motrenko] Mr. Milutinovic, could you perhaps tell us where the signing will take place; we have learned from our colleagues that all the international centers are practically racing against each other in an attempt to be the first in the peace process, to host the ministerial peace conference, and to be the place where the crowning of the peace agreement will be reached. Or is this not diplomatic to ask?

[Milutinovic] Well, it is not that I do not want to tell you, but I simply do not know. It is true that a race is on regarding this. Of course, nothing has been agreed as yet and we need to create conditions for solving this. Of course, everyone wants to host the conference, for internal and other, so to speak, reasons of prestige; however, nothing has been solved. Of course, we shall travel to the moon if need be just to finalize this. Therefore, as far as this race is concerned, we are not saying anything, not because, as I said before, I do not want to tell you, but simply because....

[Motrenko, interrupting] The time is not right?

[Milutinovic] No decision has been reached. Ultimately, the place is not important. What is important is that everyone attends and that the rules of procedure for the conference are defined, and they have already been defined in a certain way, and that it is established what will happen at the conference. This will be known and is

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

already known. [sentence as heard] We basically already know who the participants are; therefore, I believe that the place is not important. Of course, the peace will be named after the place, so everyone would like to go down in history with this peace agreement. However, the contents are essential to us, not the place.

[Motrenko] Minister Milutinovic, we know that there has been an agreement on the principles of the constitutional organization of the future Bosnia-Herzegovina, the structure of Bosnia-Herzegovina. We can say that your activities took place on two parallel levels: the peace process and bilateral relations. Apart from the meeting with EU Chairman Javier Solana, there has also been an important meeting with Secretary General Butrus-Ghali and yesterday you had a chance to hold talks with Richard Hobrooke. What would you stress from those meetings?

[Milutinovic] Of course, the approach to the problem with Butrus-Ghali was more global. Of course, in the context of what I just said, what the obstacles and problems are facing the United Nations, what kind of a stand to take there, and whether or not the United Nations will be present, and so on, it was rather an important meeting, during which I realized that the United Nations is facing serious problems in that respect, not political problems as much as financial ones. The talks with Holbrooke, of course, concerned the details of the next phases, because the U.S. initiative is here, Holbrooke is in charge of it, and nothing can be done without us. So this is in a way mutual testing of what should be done, when, and how.

[Motrenko] You have had many meetings over the last five days and you have also given many interviews. Do you agree that we can already conclude that there is a realization now that the Serbian side has never been the obstruction that they accused us of being, and which, after all, led to the imposition of these tragic sanctions?

[Milutinovic] This is true. Of course, no one wants to say so explicitly, but in a way, with many interviews and contacts, and the opening toward Yugoslavia, and so on, and the seeking of contacts, mostly concerning the peace process but also bilateral relations, everyone knows that this is a fait accompli. It has been acknowledged implicitly in a way, so I think that you are absolutely right that that is that. Of course, a lot of time has to pass since many people have been so stuck in the media campaign, they have been so blinded that they cannot very simply make this 180-degree U-turn without it having certain consequences on their political lives. The public and the media will naturally ask: Well, who has been telling lies then, why, and to what end? They will look for the guilty party. So they have to do this gradually, in a way that will be unnoticeable to their public at large. It has to be done gradually. Of course, in all this, in this gradual approach, there are still pressures for our possible concessions in the peace process, so it is not all just a U-turn but also measured pressure. Of course, if it works, it works, if not, not. In that sense they understand that they should try.

[Motrenko] One final question: We have been seeing sarcastic articles in the press these days and that is why I am asking this question. The present motto of our diplomacy is peace at any price. What I would like to draw attention to is your statement from Paris that our desire and commitment to peace must not be taken as a sign of weakness. Can you tell us more about that, since I see that not everyone wants to look benevolently at our peaceloving policy, let us say openly?

[Milutinovic] Of course, this is logical. Many people are bothered by this, since they would like to see the war and the destruction continue and thus the possible weakening of the FRY. There are still more opponents to peace and the peace process than there are supporters. This is the realistic balance of forces. You know, it is hard to be against peace and the peace process at the end of the 20th century and, if you do not find it in your interest, then you can express it with sarcasm. Of course, as far as I could see here from the information that I get daily, these sarcastic remarks are also present in our country.

[Motrenko] That is why I asked you.

[Milutinovic] Yes, yes. It is not just typical of the foreign, let us say, public, to be sarcastic. We also have them ourselves and they have been making rather distasteful remarks, with which they want to get me to tell the public everything. That cannot be done at such a delicate moment. One cannot and should not say everything, for the very simple reason that one should have consideration toward one's partners in talks, and their, let us say, state duties. Their public does not question their ministers as to why they said something, since it is considered to be a question of political culture. In certain affairs of state some things, at least at the time they are being discussed, have to remain unsaid. Of course, we as a state and a country do not have anything to hide from anyone, including our own people, but the manners in international negotiations and talks are such that we have to be more considerate than the others. Many things have been leaked and were used to our disadvantage, so this time I do not think that we should allow this to happen.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Assembly Officials Meet Russian Duma Delegation

LD2909222895 Belgrade TANJUG in English 2220 GMT 29 Sep 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, Sept. 29 (TANJUG)—The Geneva and New York agreements on the basic principles of the future division of Bosnia-Herzegovina and its constitutional organization are a significant step toward a definite establishment of peace in the region, it was announced on Friday in talks between Serbian Assembly officials and a Russian Duma delegation.

The delegation of the lower chamber of Russian parliament, headed by Aleksey Mitrofanov, was received in Belgrade by Serbian Assembly Vice-President Vojislav Andric and Foreign Affairs Committee President Slobodan Jovanovic.

A statement released by the information service of the Serbian Assembly said it was underscored during the talks that the consistent policy of peace of the Federal Republic of Yugoslavia and the Serbian leadership, especially of Serbian President Slobodan Milosevic, had contributed to the success in the development and progress of the peace process and an end to the civil war in Bosnia-Herzegovina, as well as the realization of a just and comprehensive political solution.

This policy leads to a stabilization of the situation in the territory of the Balkans, said the statement.

Now, when it seems that the war in Bosnia-Herzegovina will soon end, the imposed sanctions will very soon be lifted and Yugoslavia returned to all international spheres of activities, it was also underscored.

The Duma delegation pointed out that all political factors in Russia had urged a peaceful settlement of the crisis and the elimination of crisis spots in all areas of the Balkans, and that they had given full support to the policy of peace of the Yugoslav and Serbian leaderships, which should be adequately evaluated by the international community.

Assistant Yugoslav Foreign Minister Zivadin Jovanovic also received the Duma delegation on Friday and informed them of the current situation in the territory of former Yugoslavia, the results achieved so far, and the prospects of the peace process.

Bulatovic on Russia's Demand To Lift Sanctions

LD2909145495 Belgrade TANJUG Domestic Service in Serbo-Croatian 1344 GMT 29 Sep 95

[FBIS Translated Text] Belgrade, 29 Sep (TANJUG)—Federal Defense Minister Pavle Bulatovic today received a military delegation of the Russian Defense Ministry and Armed Forces. The delegation is paying a visit to the Yugoslav Army.

Colonel General Vladimir Zhurbenko, head of the delegation and first deputy chief of the Russian Army General Staff, stressed that the visit was of political and military significance and told Minister Bulatovic that Russia's military and political leaderships had at last agreed on their views and assessments regarding the war drama in the Balkans.

As reported, General Zhurbenko added that the peoples of our two countries had similar historical destinities and that no-one should be allowed to threaten and undermine our unity.

Minister Bulatovic said that our people, just like the Russian people, was not used to defeats and that it was still ready to defend its freedom and homeland.

Bulatovic expressed satisfaction with Russia's resolute demand that sanctions against our country be lifted and added that this was the greatest contribution to the victory of a just peace.

Minister Bulatovic paid tribute to the Russian forces within the UN contigent for their fair attitude to the Serb people in the Serb Republic.

Opposition Cautions About New York Accord

AU2909103895

[FBIS Editorial Report] Belgrade NASA BORBA in Serbo-Croatian on 28 September on page 2 carries several reports on the reaction by various opposition parties to the accord reached by the foreign ministers of Bosnia-Herzegovina, Croatia, and the Federal Republic of Yugoslavia in New York on 26 September.

According to an unattributed 250-word report, Vuk Draskovic, leader of the Serbian Renewal Movement, says that the accord represents the "foundation" for peace. According to Draskovic, "the constitutional principles that were agreed on yesterday instill hope, primarily because the Muslim-Croat coalition against Serbs will not be possible in the future joint parliament of Bosnia-Herzegovina, and because the refugees are either guaranteed return to their homes or compensation for their property if they do not want to return to their homes.

"I believe that the Contact Group member countries, primarily the United States and Germany, will soon force the regime in Zagreb to enable all expelled Serbs to return to their country, and that they will give them guarantees envisaged by the still valid Z-4 plan.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"What applies to Bosnia-Herzegovina must also apply to Croatia."

According to a 400-word report by I. Kisic on the news conference of the Citizens Alliance of Serbia, the alliance leader Vesna Pesic has said that "the agreement that was reached at the meeting in New York indicates for the first time that the end of the war in Bosnia-Herzegovina will happen soon. All the warring parties have shown more readiness than ever to continue working on a peace agreement. A cease-fire must be the next step that will lead to a peace agreement at the highest level, at a peace conference that will be attended by Tudjman, Izetbegovic, and Milosevic."

According to Pesic, the accord contains many "unknowns" concerning the "joint parliament, the method of voting and the number of people in the presidency, the method of setting up the constitutional court and the work of the government. The constitutional arrangement looks as if it has come from experts' test tube, and therefore it raises the question of whether it represents a lasting solution."

According to a 400-word report by J. Spasic on the news conference by the Democratic Party of Serbia, the party leader Vojislav Kostunica has said that the "constitutional arrangement for Bosnia-Herzegovina is regulated in a strange way." He says that the "Constitution of Bosnia-Herzegovina is being adopted more by those outside than inside, the influence of the outside factor is greater than that of the people who live in Bosnia-Herzegovina. What is even more important is that the Constitution is being adopted in takes, if I may use the film industry's terminology. The New York episode of the day before yesterday does not say 'the end,' but 'to be continued.' This way of negotiating and drafting a very important document will affect the character of the setup and practically means that the elements of the constitutional arrangement will be changed depending on the balance of forces on the ground. This approach is unusual and reminds one of building a house from the roof downward."

According to Kostunica, the constitutional arrangement is marked by two factors. First, the "drafting of the document serves U.S. presidential elections and is marked by the haste of the election campaign, and second, we have violence committed over justice in the document."

In a 200-word statement for NASA BORBA, Nikola Milosevic, president of the Serbian Liberal Party, says that "the so-called New York Agreement is yet further proof that the president of Serbia has deceived the public when he claimed through his minister Milutinovic that the Serb Republic will have the right to have confederal ties with Yugoslavia."

According to the Liberals' leader, "the Serb Republic represents only a part of an integral Bosnia-Herzegovina. The composition of the parliament and the presidency of the state, which are elected on the entire territory, clearly show that the Serb Republic will be in a subordinate position in relation to the Croat-Muslim majority. Therefore, this agreement removes the war danger only temporarily. In the long run, one can see even greater and more far-reaching conflicts."

According to a 100-word BETA attributed report, "the Liberal Alliance of Montenegro takes the view that the New York Agreement on the constitutional principles has confirmed the resolve of the international community to preserve the integrity of Bosnia-Herzegovina and not to recognize the results of a political force that is trying to change state borders and create ethnically pure states."

According to a 300-word statement by the People's Congress Party, the purpose of the New York Agreement is to "preserve the integrity of Bosnia-Herzegovina, on which the Muslim side has insisted. No one is talking about special relations any longer, let alone confederal ties between the Serb Republic and the Federal Republic of Yugoslavia, while the Muslim-Croat federation was granted this with the Washington Agreement."

According to the party, "the adopted option of an integral and internationally recognized Bosnia-Herzegovina" should be seen "as an alarm and a strong warning to the Serb side that the corridor is in great danger since the Muslim side cannot secure in any other way the national representation of all three peoples except by militarily surrounding the western part of the Serb Republic."

The party considers the "lack of an agreement on a cease-fire among the warring parties" as the greatest deficiency of the New York Agreement.

Refugees To Be Taken to Eastern Slavonia

LD2909162195 Belgrade BETA in Serbo-Croatian 1525 GMT 29 Sep 95

[FBIS Translated Text] Belgrade, 29 Sep (BETA)—The Belgrade Center for Antiwar Action today announced that a mobilization of Serb refugees from Croatia and Bosnia started again in Serbia, BETA reports.

The mobilization of refugees started on 26 September, according to a statement of the SOS telephone for

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

victims of discrimination of the Center for Antiwar Action. According to the Center's reports, mobilized refugees will be taken to Eastern Slavonia, Banja Luka, and the environs of Tuzla.

The Center is also receiving calls from parents of the soldiers who started their military service last September, who are wondering how long their sons will be serving in the Yugoslav Army.

After their completed military service at the end of August, these soldiers were kept as a reserve force for 30 days. This deadline is now expiring and the parents are fearing that their sons will remain in the army, the Center for Antiwar Action says in its statement.

Serbia

Draskovic: FRY's Position Changed for Better

LD0110161395 Belgrade TANJUG in English 1558 GMT 1 Oct 95

[FBIS Transcribed Text] Belgrade, Oct. 1 (TANJUG)—Leader of the opposition Serbian Renewal Movement Vuk Draskovic said on Sunday that Yugoslavia's [FRY] international position had changed for the better.

However, there still remained Yugoslavia's full and comprehensive inclusion in the international community, primarily the European Union, said Draskovic.

SPO, the framework of the strongest opposition coalition in Serbian parliament, believes that relations between Serbia and the world would continue to thaw with more determination and speed.

In a statement to Radio Kragujevac, Draskovic said Germany was particularly interested in a speedier normalization of relations with Serbia.

Asked about Serbia's advantage over Croatia as regards the international scene, Draskovic said the Serbs were double the number of Croats, and that Serbia's geographic and strategic position was more favorable.

Serbia, and not Croatia, is the bridge that will link Western Europe with Asia, said Draskovic.

Sandzak Leader on JUL Activities in Region

AU2909172895 Belgrade TELEGRAF in Serbo-Croatian 27 Sep 95 p 12

[Interview with Sandzak SDA General Secratary Rasim Ljajic by Branislav Jeremic; place and date not given: "Rasim Ljajic: 'We Are Supported by Carl Bildt'"]

[FBIS Translated Excerpt] Rasim Ljajic, the leader of the Party of Democratic Action [SDA] for Sandzak, recently held talks in Belgrade with Carl Bildt, the cochairman of the International Conference on the Former Yugoslavia. [passage omitted]

[Jeremic] What has happened with your call for the autonomy of Sandzak?

[Ljajic] We shall leave that for some other time, when the situation is more favorable for us. Mr. Bildt has supported this attitude of ours. [passage omitted]

[Jeremic] You negotiated with the government in Belgrade.

[Ljajic] These negotiations started in May. We discussed solutions to concrete problems such as repression, which is still being exerted on the population, and the political trials that were held in the past. We have always pointed out that, from the political point of view, it would be very profitable for the Serbian state if political prisoners were released. There is also the problem of the economy, which is in a catastrophic condition in Sandzak. We called for the embargo on the import of goods from Turkey to be reexamined, because practically 60 percent of the Novi Pazar population lived on that. We are now confronted with a situation in which private production and trade have stopped completely. These are the issues we want to discuss.

[Jeremic] Why have these negotiations come to a standstill?

[Ljajic] One of the reasons is certainly the situation in Croatia and Bosnia, which is certainly a priority of both the international community and the Belgrade authorities. Another reason is that Belgrade is still not prepared to get to the core of the Sandzak problem; it does not want to open it up; trying on the one hand to minimize it, and on the other to neglect it completely as a political problem. The third reason is the appearance of JUL [Yugoslav United Left] and the attempt to present it, not only as the mediator in these negotiations, but also as the political negotiator on behalf of the Sandzak Muslims.

[Jeremic] How powerful is the JUL in Sandzak?

[Ljajic] It is demonstrating its political power by recruiting new party members among the managers of leading companies in Novi Pazar. I believe that the JUL is aware of the fact that it would not be given the support of the voters in a normal, democratic election.

[Jeremic] This party seems to be a thorn in your flesh.

[Ljajic] It, for example, started with a too ambitious campaign. It tried to create the impression in the media that it was supported by the Sandzak Muslims. This is, however, only the first impression one could get after their constituent assembly, which had been under

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

preparation in Sandzak for a relatively long time. We have information that every detail of the assembly had been carefully planned six months before.

There are several reasons for JUL's ambitious campaign in Sandzak. One of the main reasons is that the local Muslim population in Sandzak is scared, since it has been intimidated by Seselj and Arkan for the last two to three years. The JUL appeared as something completely new in Belgrade—a party that has the power and grants the people something completely different from what they have gone through during the last two or three years.

Another reason is that the JUL counts on the traditional nostalgia among those Muslims who believe that the old times could return, even though Tito has been replaced by a woman—Mira Markovic in this case.

The third reason, which is perhaps the most important, is that some people think that they can profit politically, and especially economically, word with YUL's help, since it is practically a branch of the SPS [Socialist Party of Serbia]. [passage omitted]

Ethnic Hungarians in Baranja Fear for Their Lives

AU2909201195 Budapest MAGYAR HIRLAP in Hungarian 29 Sep 95 pp 1, 3

[Correspondent's report: "Hungarians in Baranja in Life Danger"]

[FBIS Translated Text] The ethnic Hungarians stranded in East Slavonia and Baranja under Serbian control are deprived of minimum human rights, and even their lives are in danger. Five people among the Hungarians put to forced labor have been killed—Jakab Sandor, deputy chairman of the Democratic Community of Hungarians in Croatia [HMDK], told MAGYAR HIRLAP.

Some 3,000-4,000 ethnic Hungarians are left in the last remaining Serb Krajina neighboring Hungary (compared with 9,000 at the census held four years ago).

These people have been living in constant fear since the Serbs occupied this region, and the attitude toward these people has been outright ruthless since May this year. "The fact that men, as well as women, are led to forced labor is no longer the only problem; the way these people are treated is the real problem. Their situation is worse than that of the people in forced labor units during World War II.

"We know of a case in which a sick man was beaten to death in his own house, because, given his illness, he was unable to go to forced labor, and four other people were killed for 'breach of discipline.' They are deprived of every right, including the right to speak in their mother tongue among themselves," Sandor Jakab told us.

The people stranded in the Baranja Triangle are completely cut off the outside world, because the Serbs have closed the only bridge leading to Vojvodina, and they do not allow anyone on their territory. Therefore, the HMDK would like to see more action on the part of the Hungarian Government on behalf of the Hungarians in Baranja. The HMDK would like to see Budapest come to an agreement with Belgrade on opening the Batina Bridge and on forcing the Kraijian people to respect the elementary human rights. Panic and desire for revenge over the loss of Western Slavonia and Knin is one of the reasons for this attitude toward the ethnic Hungarians. The Serbs in Eastern Slavonia fear that they might also be forced to flee if the Croats regain this territory by force. It is possible that the fact that many ethnic Hungarian soldiers are serving at the dividing line on the Croatian side also plays a role in the aforementioned attitude toward the ethnic Hungarians. They are regular soldiers of the Croatian Army as well as volunteers who are defending their homeland, their villages bordering Krajina. "There are several hundred ethnic Hungarian young people in the most dangerous zone of the dividing line, where an attack can come any time and where snipers' actions do not even count as a violation of the cease-fire any more," Jakab Sandor told MAGYAR HIRLAP.

Kosovo

Rugova: 'Reason' To See Future With 'Optimism'

AU0110142495 Tirana TVSH Television Network in Albanian 1735 GMT 30 Sep 95

[Telephone report by Ramadan Mucolli from Pristina]

[FBIS Translated Text] The Kosovo Information Center reports that the regular weekly meeting with the chairmen of the Democratic League of Kosovo [LDK] branches commemorated the fourth anniversary of the referendum for Kosovo's independence.

Speaking about this institution of the free declaration of the people, President Rugova said that the current political trends are favorable and that the will of the people of Kosovo for an independent and neutral state with open borders to Albania and Serbia is encountering an increasingly greater understanding in the international circles. On this occasion, Rugova reiterated the need for a larger commitment to perpetuate the people's will expressed through this referendum.

Speaking about the latest developments in the region, President Rugova assessed as baseless and inconsistent

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the comparisons and analogies between Kosovo and the so-called Serbian regions. The moments we are experiencing are not easy, however there is no place for disillusion and defeatism. We have reason to see the future of Kosovo with optimism, Rugova said.

LDK Deputy Chairman Hydajet Hyseni assessed the 1991 referendum to be a result of the unceasing century-long efforts of the Kosovar people for freedom and independence. The determination of Albanians to realize their aspirations in a peaceful way, without endangering the rights and freedoms of others, should have been a factor for a larger international support, he said. Hyseni committed himself to a more organized action of the entire Albanian intellectual and political potential to realize the will of the people expressed through the referendum of four years ago.

Bukoshi Views Situation as 'Catastrophe'

AU3009180895 Tirana TVSH Television Network in Albanian 1900 GMT 29 Sep 95

[Telephone report by Islam Spahiu]

[FBIS Translated Excerpt] Prime Minister of the Republic of Kosovo Dr. Bujar Bukoshi addressed the Netherlands Parliament on the current situation in Kosovo. [passage omitted]

After making a short presentation of the grave and dangerous situation in Kosovo, Prime Minister Bujar Bukoshi said that the Albanian people are today the only separated people in Europe. And of course, as long as Albanians are determined to realize their aspirations in a peaceful way and if conflict is imposed on them as the only option, there would be no doubt that they will protect themselves with the same determination. The people of Kosovo are experiencing the current situation as a situation of occupation by a regime that is alien to them. It is the natural right of a people to try to be liberated. It is better for the international community to continue to exert pressure against Serbia and oblige it to accept the new reality rather than promise to lift economic sanctions if it recognizes Bosnia—an absurd situation if a state that is still not recognized wants to be recognized by a state that is a UN member.

Concluding, Bukoshi stressed that there are still chances to avoid the worst in Kosovo. Not taking action may cost dear as, in the current state, Kosovo is a forewarned catastrophe. It is unacceptable to us to remain within an entity that is known to the international community to be an aggressor, a terrorist state, violator of human rights, and perpetrator of crimes. I hope that you understand why the Kosovo leadership will never agree to be obliged voluntarily to expose their own population to such a regime. [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.